Bend Metro Park & Recreation District

January 31, 2025

Board Workshop
Agenda and Reports

www.bendparksandrec.org

Bend Park & Recreation District

play for life

Bend Park & Recreation
DISTRICT

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 through parks, trails and recreation.

Our Community Pledge

To reflect our community, welcome and serve equitably, and operate with transparency and accountability.

We Value

COMMUNITY by interacting in a responsive, considerate and efficient manner to create positive patron experiences and impact in the community.

INCLUSION by reducing physical, social and financial barriers to our programs, facilities and services, and making them more equitable for all.

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

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

SUSTAINABILITY by fostering a balanced approach to fiscal, environmental and social assets to support the health and longevity of the district, the environment and our community.

Board of Directors

Workshop – January 31, 2025

Bend Park and Recreation District Office
9:00 am -3:00 pm

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AGENDA
The Board Workshop will be held in person with a virtual link. Members of the public are invited to view the meeting using Zoom.

Please click the link below to join the webinar:
https://us02web.zoom.us/j/87837871929?pwd=TDhQ0xFcHG2ubDMuEGCwLrOfWkrKXB.1
Passcode:462502

+1 669 900 6833
Webinar ID: 878 3787 1929
Passcode: 462502

ROLL CALL & INTRODUCTIONS
9:00 – Budget Priorities – *Michelle Healy (15 min)*

Our philosophy of "Play for Life" is about living in the moment, but also about creating a legacy for the future. Our goal for the workshop is to give you information to help inform your input and direction for the upcoming budget.

- We will look at our greatest asset, our team, and the challenges and opportunities.
- We will share our financial forecast for the next five years.
- The recreation cost recovery and forecast information will explain the recreation subsidy that goes in the forecast.
- Information about our capital spending plans will be presented with your first look at this year's Capital Improvement Program.
- All this information feeds our long-range financial planning and recommended budget priorities for next fiscal year.

9:15 – District Workforce Review – *Kathleen Hinman (30 min)*

To successfully operate the park and recreation system, the district must recruit, develop, and retain a diverse and talented team. Our broad workforce means we cannot take a one-size-fits-all approach, and we need to tailor our efforts to attract and retain our staff. We will look at upcoming cost factors and district priorities in support of staff, including recruitment and retention efforts.

Goal of agenda item: This presentation will provide the board with an overview of our workforce and an understanding of the upcoming priorities of the district in support of staff. Additionally, staff needs two board members and one budget committee member to serve as representatives on the Benefits Committee to meet in late March or early April.

9:45 – Financial Forecast – *Kristin Toney (50 min)*

The financial forecasting model has become a valuable tool in predicting the effects of capital funding decisions, operational strategies, levels of service, subsidy levels and economic circumstances on the district's financial viability. Being able to foresee how decisions today will affect the district's future operational budgets is vital to ensure long-term financial sustainability. Financial forecasting becomes even more important as BPRD adds facilities and services, and as operating costs continue to increase. This financial forecast takes a moderate-conservative approach, and our projections continue to show that we are living within our means. The forecast and the underlying assumptions, will be presented and discussed during the workshop.

Goal of agenda item: Staff intends for this tool to help the board and budget committee gain an understanding of the future financial capacity of the district..

Supporting Documents: Attachment A – Financial Forecast FY2026 – FY2030

10:35 – Recreation Cost Recovery and Financial Forecast – *Matt Mercer (50 min)*

The recreation department is funded largely through user fees, but it also requires general fund tax support to ensure programs and services are affordable, accessible, and financially sustainable. The level of tax support for programs is determined by the board-adopted cost recovery guidelines. Cost recovery expectations vary depending on the type or category of service. The User Fees and Charges Policy provides a detailed explanation of cost recovery philosophy and methodology as well as current cost recovery guidelines. Staff does not recommend changes to the cost recovery guidelines as they remain effective at balancing accessibility, the cost of providing services, and long-term financial sustainability. The cost recovery guidelines will be reviewed at the workshop.

The Recreation Financial Forecast is prepared annually and integrates into the overall district Financial Forecast. The forecast incorporates district-wide assumptions while factoring in recreation-specific considerations such as growth in participation, fee increases, staffing levels and changes in service levels such as the new Art Station and the JSFC outdoor pool cover project. The financial forecast shows that the subsidy required to support recreation services will expand over the years as the overall program continues to grow and increases in costs slightly outpace revenues from fees and other non-tax resources. The forecasts, and the underlying assumptions, will be presented and discussed during the workshop.

Goal of agenda item: Staff intends to confirm cost recovery guidelines and seek board input on is the Needs-Based Assistance Program, which continues to grow at much higher rate than resources. The presentation should provide the board and budget committee an understanding of future tax subsidy requirements to support recreation programs.

Supporting Documents: Attachment B – Fees and Charges Policy; Attachment C – Recreation Financial Forecast FY 2026-2030

11:25 – Break *(10 min)*

11:35 – Capital Improvement Plan (CIP) Discussion – *Brian Hudspeth (50 min)*

Staff will present the first draft of the proposed 2026 – 2030 Capital Improvement Plan (CIP). The proposed CIP carefully weighs project priorities with the financial forecast of available funding resources. For the first draft of the 2026-2030 CIP, staff updated the status of projects included in the current CIP and added future projects informed by the new comprehensive plan, asset management plan, ADA transition plan, and board priorities to meet community needs.

Goal of agenda item: Review and discuss Draft 2026-2030 CIP. Following the workshop, the draft 2026-2030 CIP may be adjusted upon board direction with the final CIP adopted in June 2025 as a part of the annual budget process.

Supporting Documents: Attachment D – Draft CIP for Fiscal Years Ending 2026-2030

12:30 – Lunch *(30 min)*

1:00 – Long-range Planning and Board Priorities – *Michelle Healy and Kristin Toney (90 min)*

The district's offerings and services provide a sense of place. We believe that play holds the key to happy and healthy lives in our community - now and for generations ahead. As the district grows and changes, along with outside economic factors it's important to be more proactive in our financial planning. Therefore, to improve decision making and support financial sustainability, the district is looking at longer-range financial models and plans. As resources become more limited and demands for continuing the high quality services increase the district needs to take continuous steps to enhance its budget policy framework, process and service levels.

Goal of agenda item: Look out into the future of the district to help make informed choices now. This is the time for the board to discuss priorities that have a budget implication so that staff can incorporate those ideas into the proposed budget. The staff needs the board's feedback on the information presented throughout the workshop and input on priorities for the budget.

Supporting Documents: Attachment E – Long Range Planning and Board Priorities

**Budget Committee excused after this presentation*

2:30 – Board Self-Evaluation – *Sheila Reed (20 min)*

The board conducts an annual self-assessment to enhance its effectiveness and improve business practices. This year, the self-assessment has been updated to provide more opportunities for board members to share their needs and identify ways staff can better support them. The updated self-evaluation will be distributed at the meeting for review. A meeting has been scheduled in March for the board to review the completed self-assessments.

Goal of agenda item: Review the updated board member self-assessment document and the process for completing the evaluation this fiscal year

Supporting Document: Board member self-assessment (handout at the meeting)

FY2026 – FY2030

FINANCIAL FORECAST

Board Workshop 1.31.2025

Kristin Toney
Administrative Services Director

Financial Forecast FY2026 - FY2030

The financial forecast model has become a valuable tool in predicting the effects of capital funding decisions, operational strategies, levels of service, subsidy levels, and economic circumstances on the district's financial viability. Being able to foresee how decisions today will affect the Bend Park and Recreation District's future operational budgets is vital to ensure the long-term financial sustainability of the district. Financial forecasting becomes even more important as BPRD adds facilities and services, and as operating costs continue to increase.

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

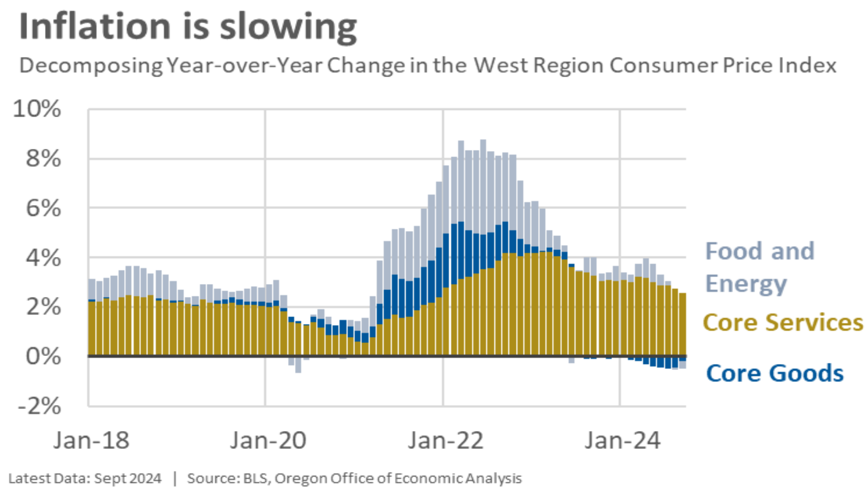
Board Workshop → Budget (CIP) Tour → Budget Hearings → Budget Adoption

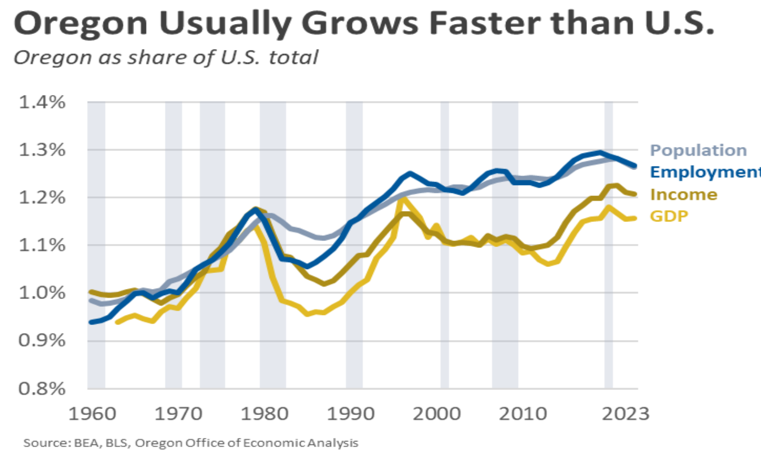
Economic Outlook

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.
>
> 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.

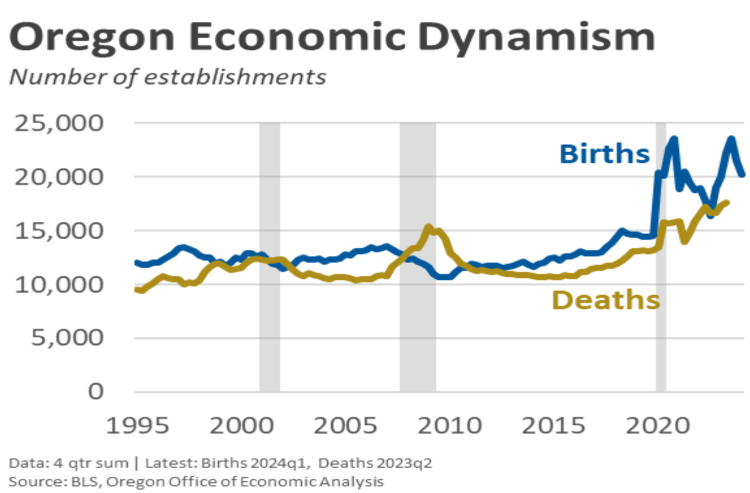
[1] https://www.oregon.gov/das/OEA/Pages/forecastecorev.aspx

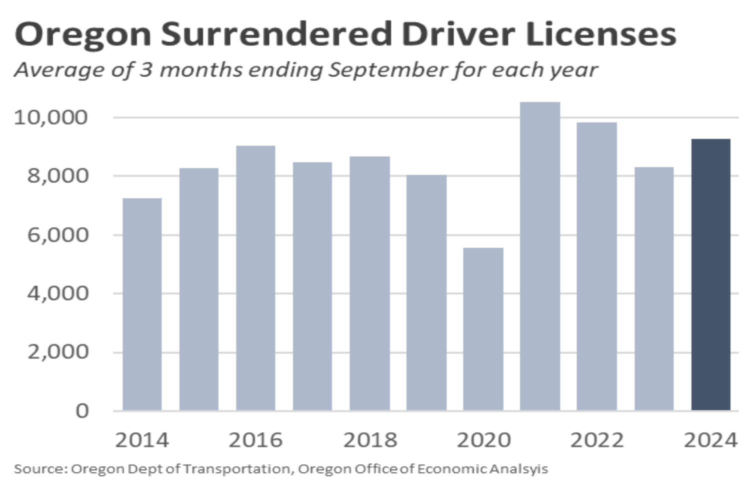




Oregon's economy is currently demonstrating moderate health. Output growth is lagging the national statistics but is showing some signs of reacceleration. Net job creation remains positive, but it is concerning to see job creation concentrated in just a few industry categories.

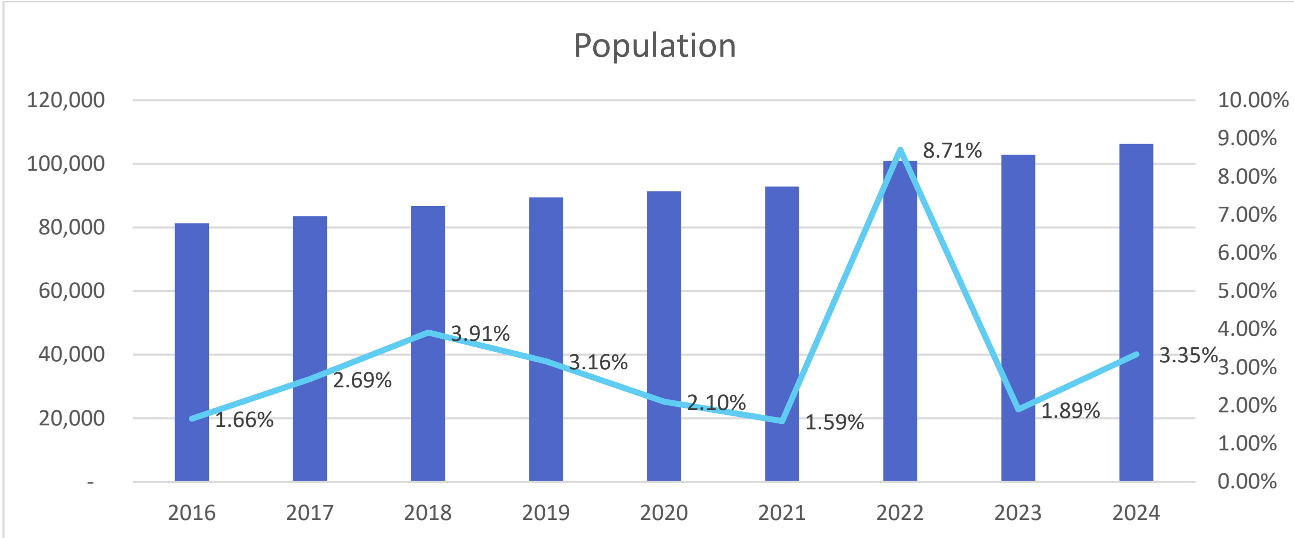
Oregon economic activity will be highly vulnerable to the national priorities noted above. Oregon's labor market has proven resilient in the post-pandemic era and is operating at high levels of labor utilization, based on measures such as labor force participation or the employment-population ratio. 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.

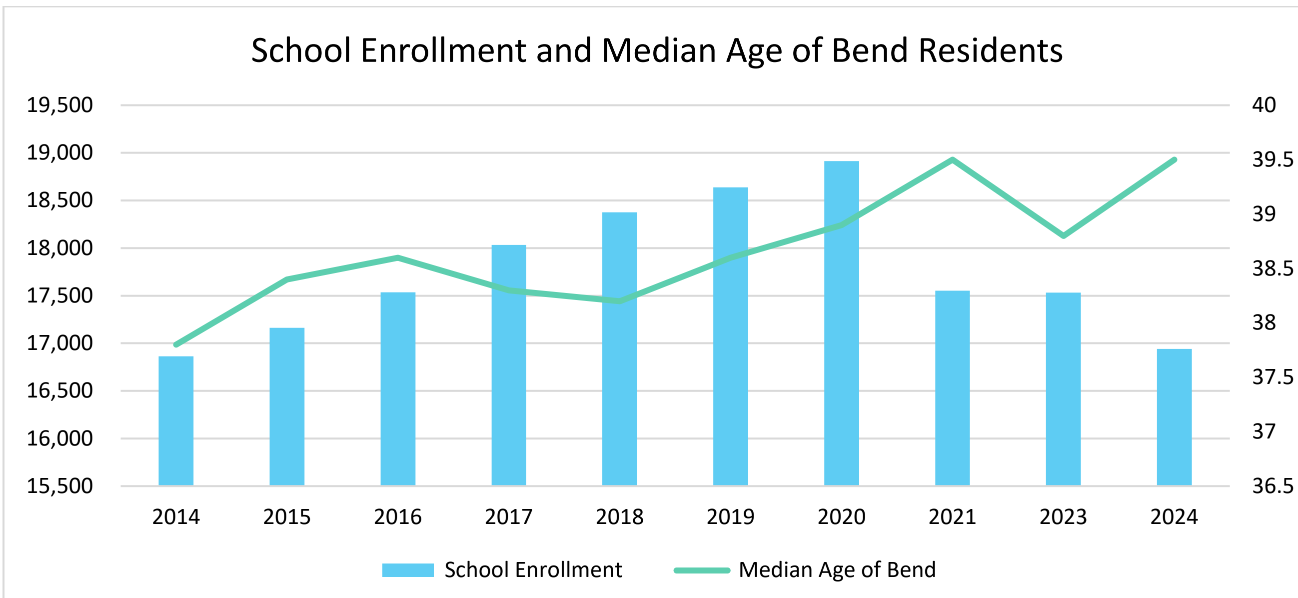




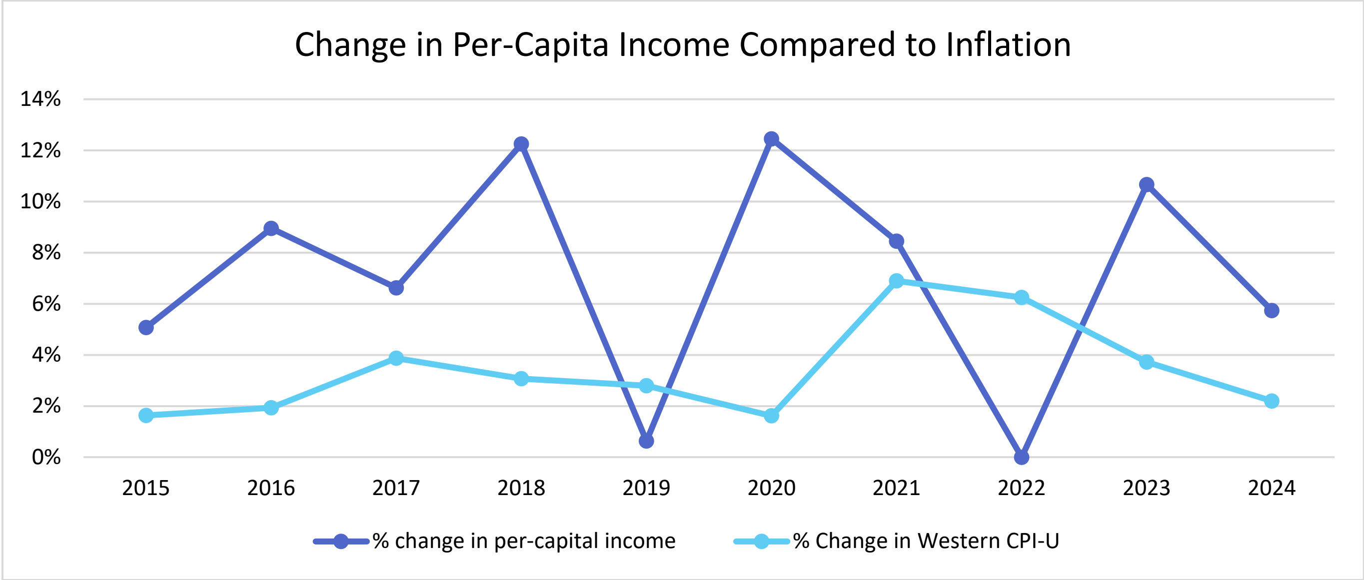
DISTRICT TRENDS

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.

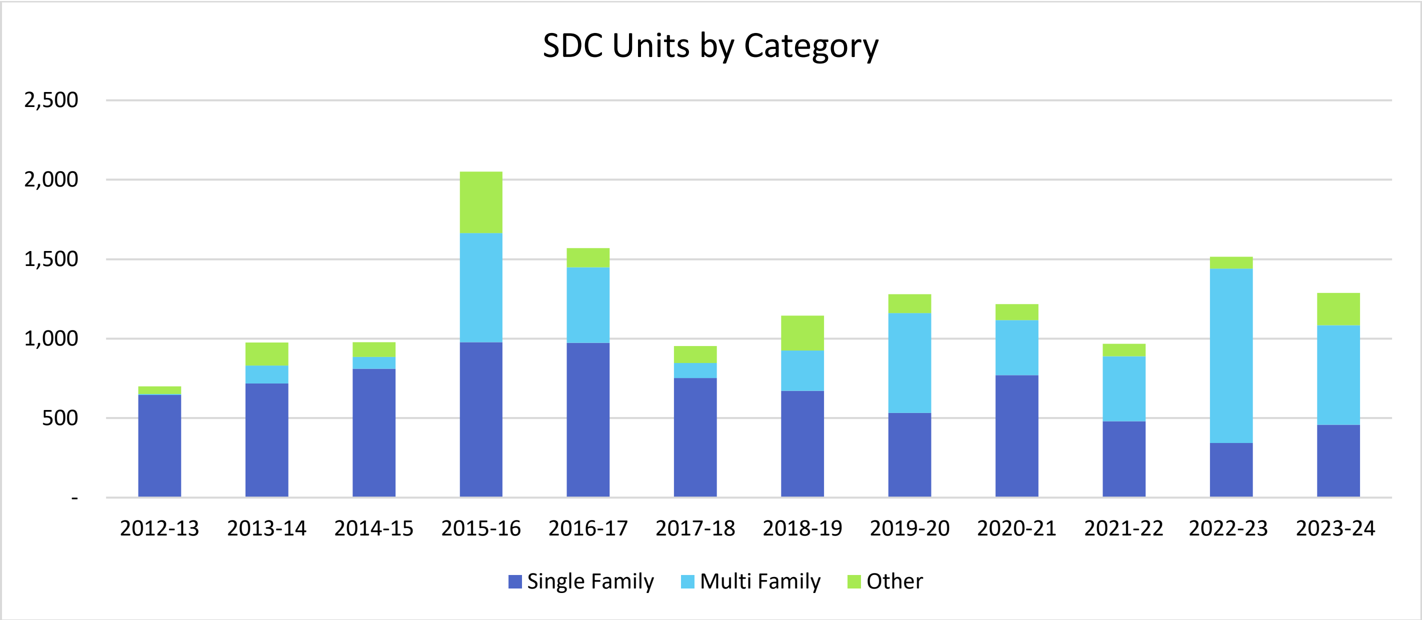




The population's per capita income continues to grow as well, demonstrated by the 6% change compared to inflation of 2.2%[2]:



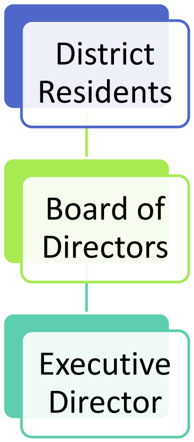
Development continues with multi-family housing being a greater portion in recent years:



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

Background

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.

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 through parks, trails and recreation.

Community Pledge – To reflect our community, welcome and serve equitably, and operate with transparency and accountability.

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.

General Fund	• The operating fund of the district and accounts for the general operation of the district
Rental Special Revenue Fund	• Accounts for the proceeds of district facility and park rental revenues
System Development Charges (SDC) Special Revenue Fund	• Accounts for the acquisition and development of the community's park system
Facility Reserve Fund	• Accounts for acquiring, constructing and re-developing parks, trails and buildings
Equipment Reserve Fund	• Accounts for new and replacement vehicles, furniture, fixtures, equipment and technology
General Obligation (GO) Debt Service Fund	• Accounts for the accumulation of property taxes levied to pay principal and interest on GO bond debt *(Note: we do not forecast this fund since it levies taxes in the amount of of the bond payment)*

District Forecast

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

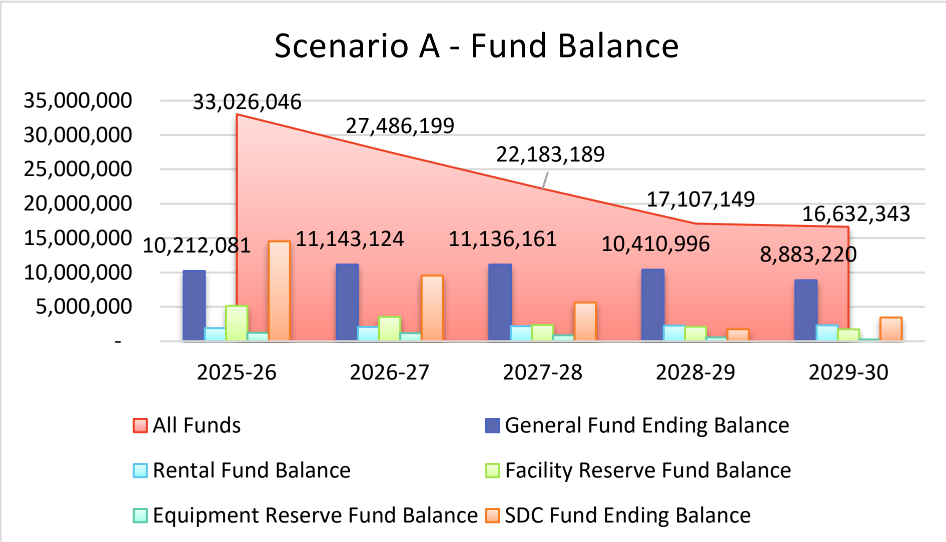
The district's greatest asset, our staff, and our strategic plan has the goal of "attract and retain qualified employees at staffing levels that support desired service levels. We have developed three scenarios that still grows our staff and make possible changes to wages and benefits.

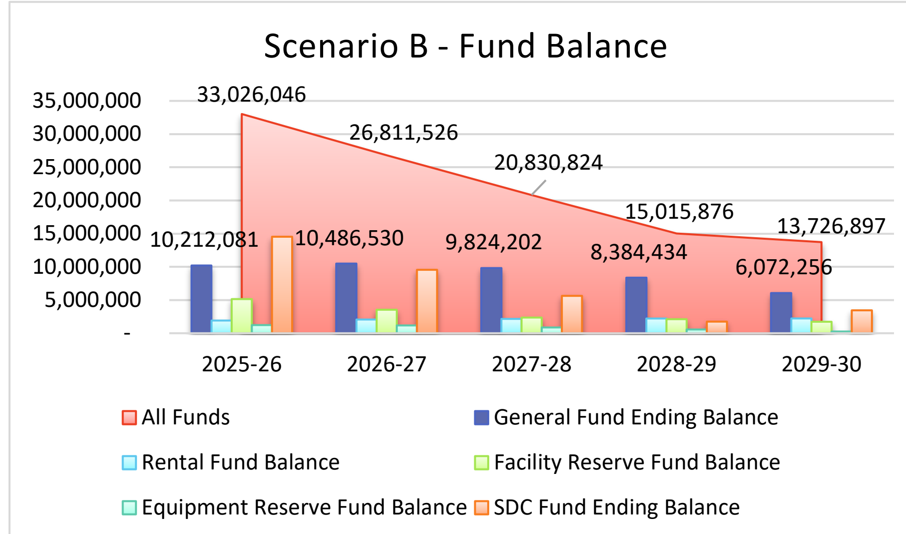
	Scenario A FY26-FY30 Forecast					Scenario B FY26-FY30 Forecast PERS Pick-UpFY27					Scenario C FY26-FY30 Forecast				
Payroll Factors	*2025-26 Projected*	*2026-27 Projected*	*2027-28 Projected*	*2028-29 Projected*	*2029-30 Projected*	*2025-26 Projected*	*2026-27 Projected PERS***	*2027-28 Projected*	*2028-29 Projected*	*2029-30 Projected*	*2025-26 Projected*	*2026-27 Projected*	*2027-28 Projected*	*2028-29 Projected*	*2029-30 Projected*
Performance	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
COLA – FY27 pay study 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%

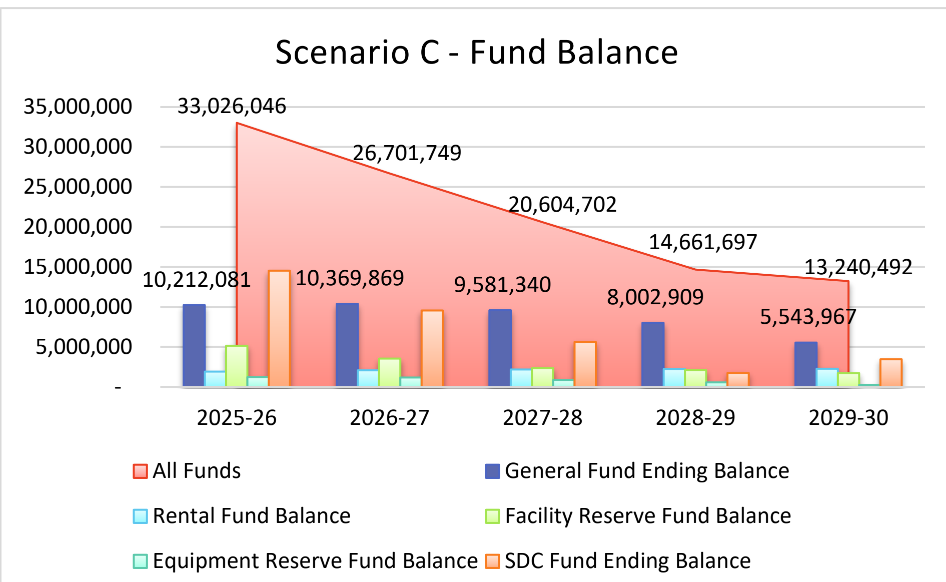
- **Scenario A**- Baseline factors
- **Scenario B**- Baseline factors with district contributing employee portion of PERS for all employees in FY27
- **Scenario C**- Baseline factors with a greater increase in wages after pay study in FY27 of an extra 3% (baseline has 3% for a total of an extra 6%) that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

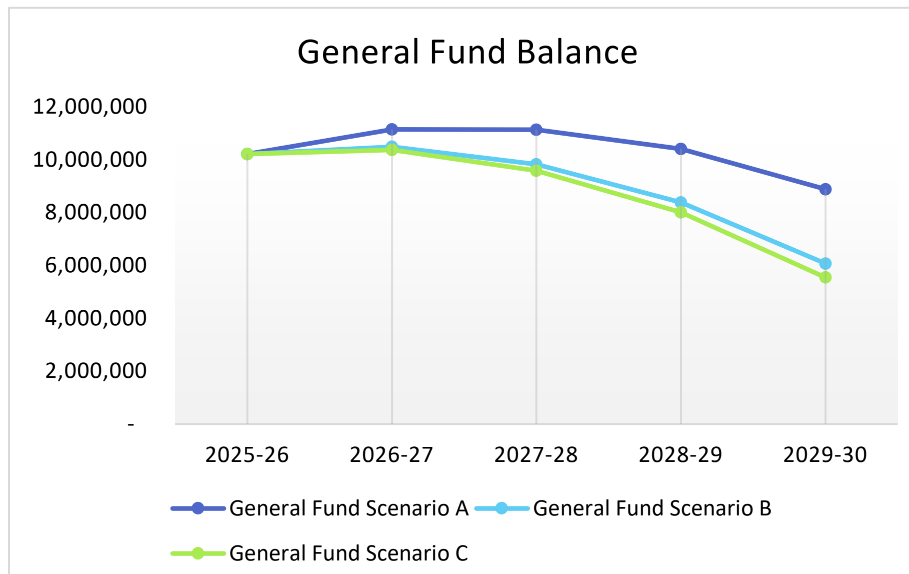
ALL DISTRICT FUNDS

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.



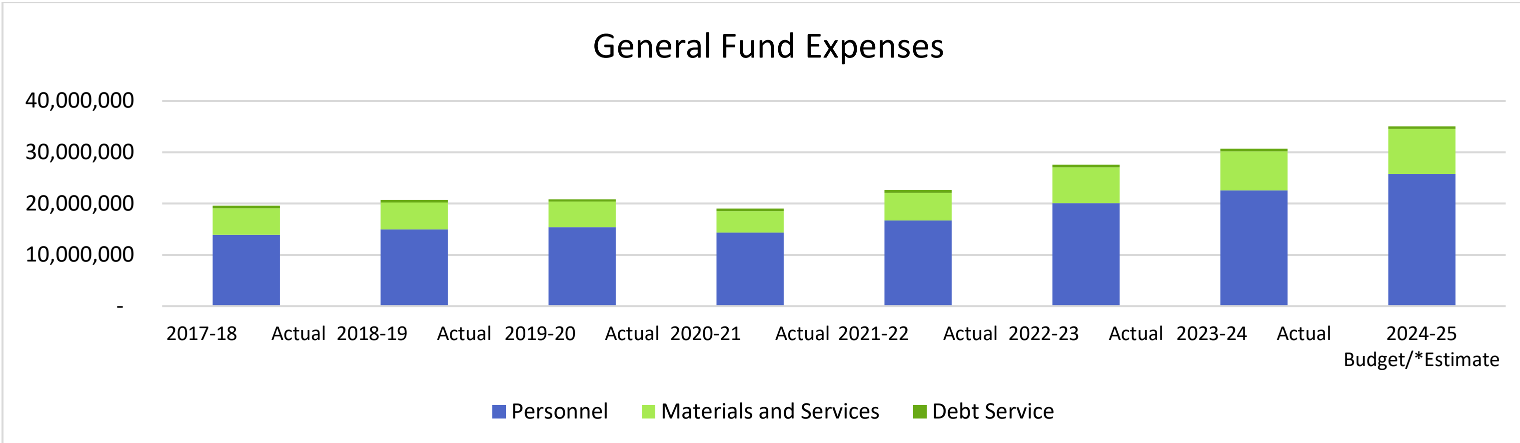




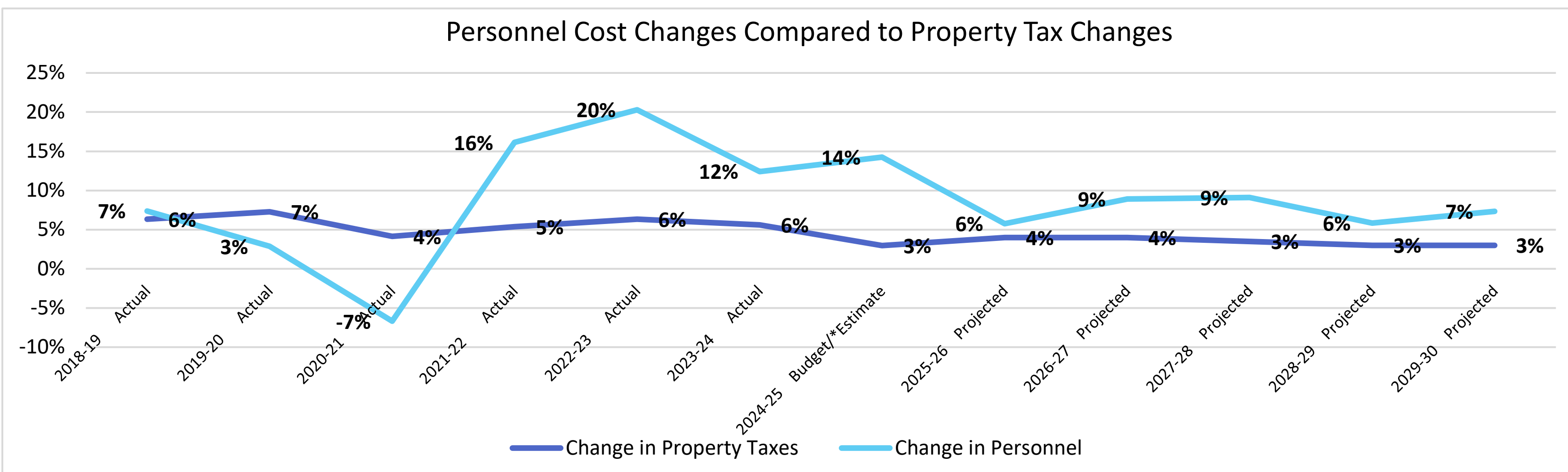


General Fund

The district's General Fund is the general operating fund and accounts for the executive director's office, administrative services, planning and design, park services, community 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. The General Fund needs to continue to save for future maintenance and repair of current facilities, address growth and adapt to changing economic conditions. In the last year of the forecast, our operating expenses remain lower than estimated revenue, which means it appears the district should be able to operate within its means. Adjustments may be needed to aid in funding some major maintenance of our facilities.

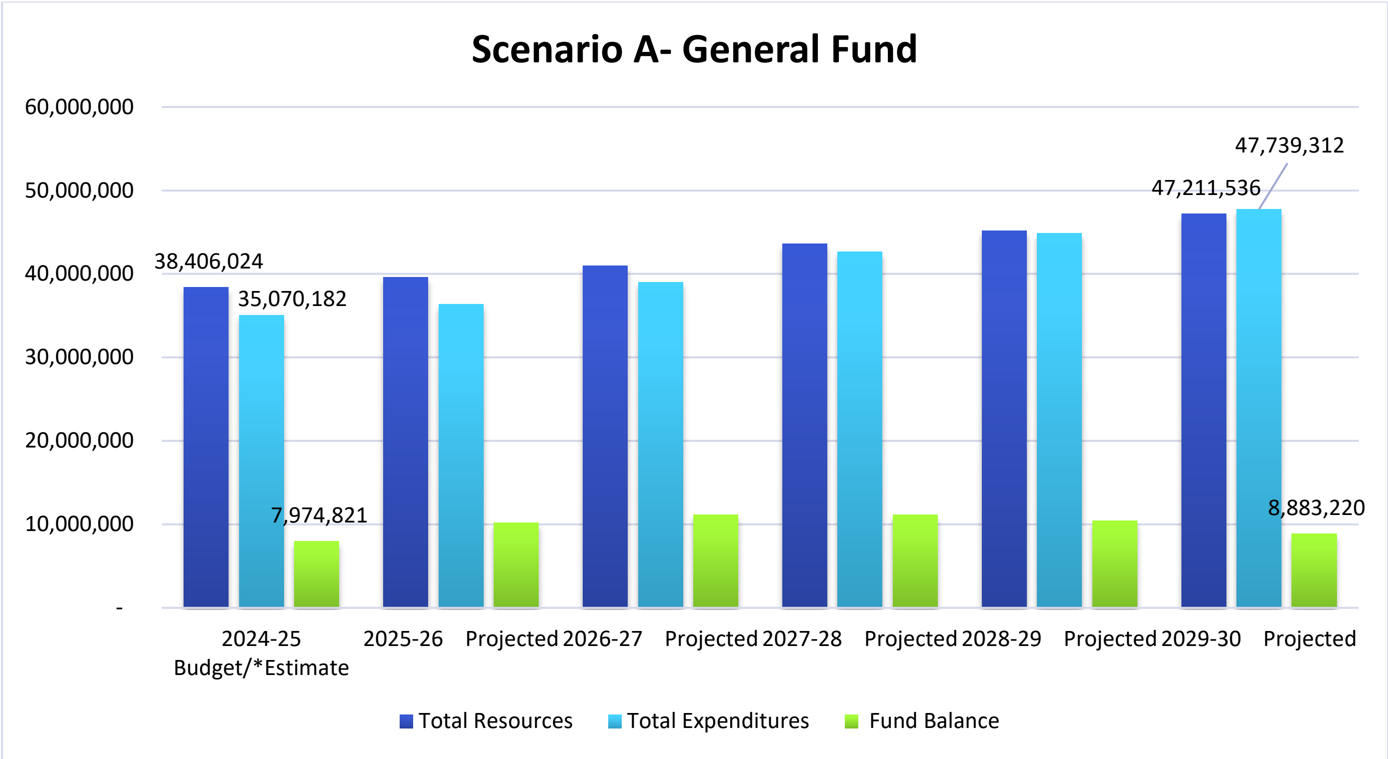


With personnel being our biggest expense, it's important to look at our tax base growth in relation to our personnel costs. Besides the pandemic years with layoffs, we have seen greater increases to staffing costs with the pay equity adjustments and higher cost of living adjustments in the last few years. Our staffing has also grown with the district. With increasing personnel costs, we are outpacing our property tax growth. Another factor associated with personnel is health insurance that has grown faster than inflation the last two years and is predicted to keep growing 12% a year.



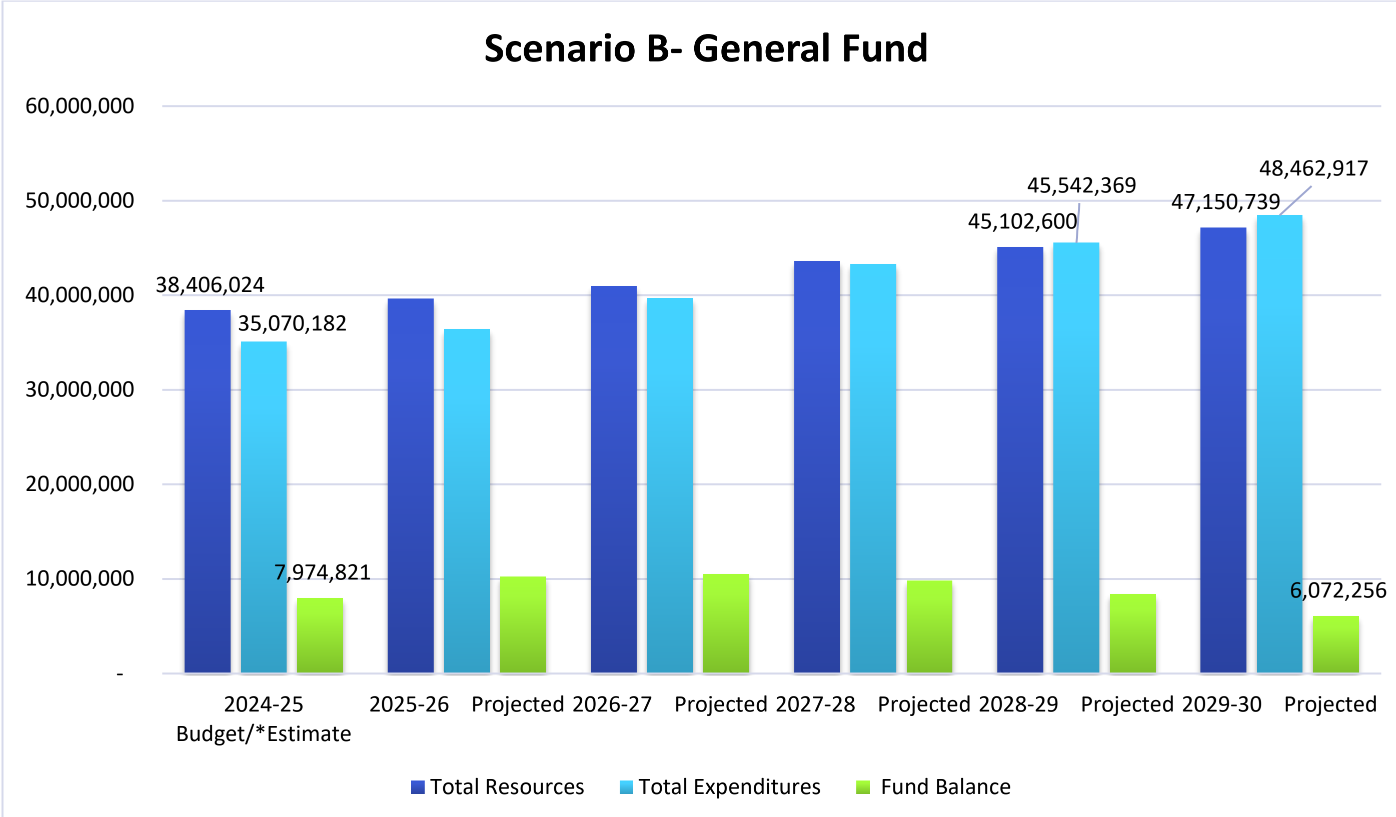
Reviewing the scenarios where we predict growth in staffing, the difference is in the wages and benefits for the FY2026-27 year to help address the pay study with additional wages or PERS contributions for employees. We can make many adjustments, before it will affect our ability to fund the reserve funds as we have in the past. Another assumption in the forecast is to use debt service for Juniper Swim and Fitness Center 50-meter pool roof project along with a few other remodeling projects. The loan repayment will come from the General fund.

SCENARIO A- Baseline factors that include an extra 3% of wages to address the pay equity study.



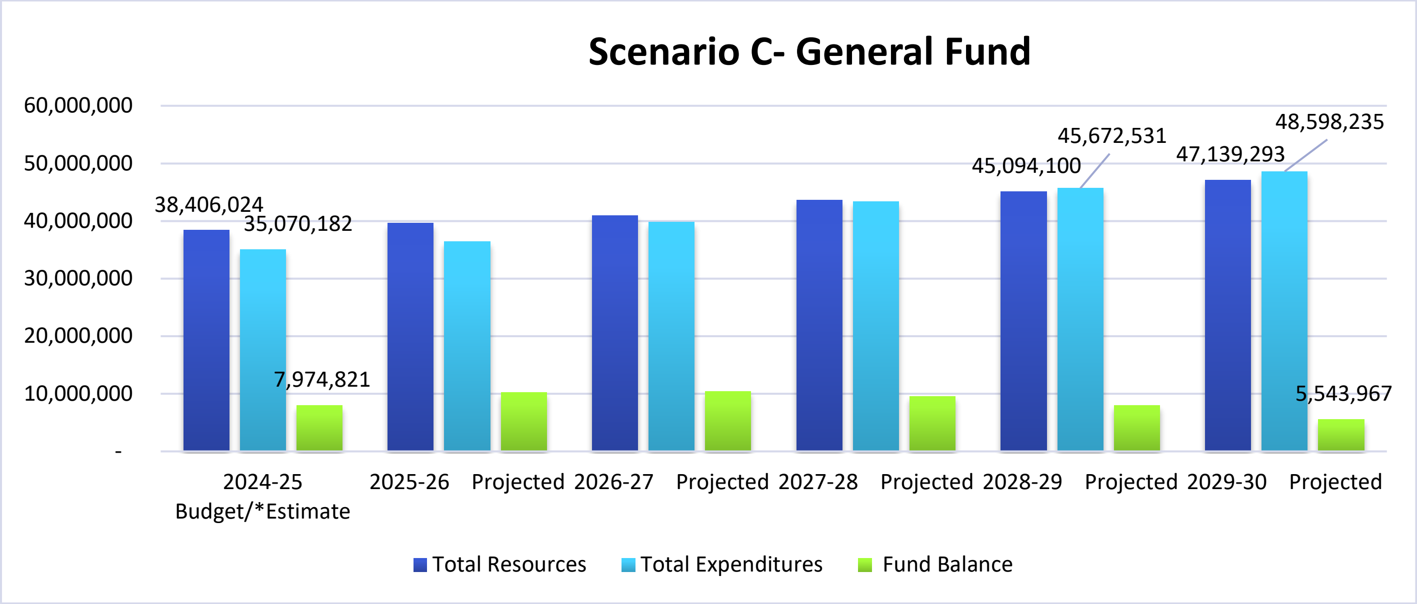
- Maintain expenditures lower than revenues until the 5th year, and only slightly exceed
- Maintain a healthy fund balance
- Possible to put $1,000,000 to the reserve funds each year
- 3% may not be enough to fully address pay equity study results

SCENARIO B- Same factors as above along with district contribution for the employee portion of PERS for all employees in FY27.



- Expenditures exceed revenues in the 4th year, gap greater in the 5th year
- District contribution for employee portion is competitive with other local governments and aims to retain PERS eligible part-time employees when they exceed 600 hours
- Maintain a lower fund balance but acceptable for our risk levels (could reduce transfers below to make the balance higher by $1 million)
- Possible to put $1,000,000 to the reserve funds each year
- 3% and the PERS contribution may not fully address pay equity study results

SCENARIO C- Same factors as Scenario A, with a greater increase in wages to address pay study in FY27 with an extra 3% (baseline has 3% for a total of extra 6%) that could go towards wages and/or other benefits



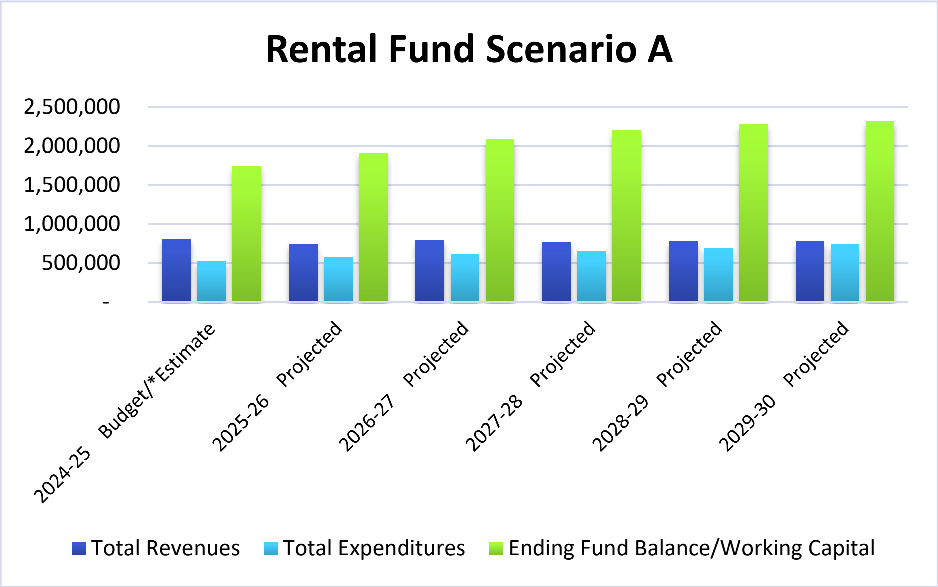
- Expenditures exceed revenues in the 4th year, gap greater in the 5th year
- Maintain a lower fund balance and reduce transfers below to make the balance higher by $1 million
- Possible to put $1,000,000 to the reserve funds each year
- 6% is expected to be sufficient to fully address pay equity study results

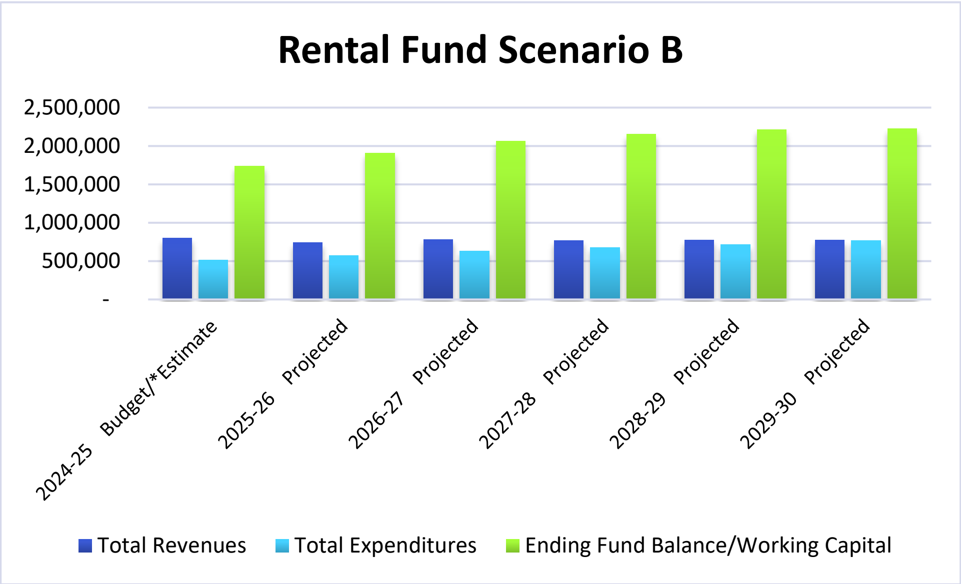
FUND BALANCE is critical for financial stability and flexibility. Reserves aid governments to respond to events, buffer against economic downturns, and are a factor for bond ratings. Therefore, local governments establish a minimum fund balance. With the scenarios, we plan to have an emergency amount and anticipate that we would out-perform our estimates.

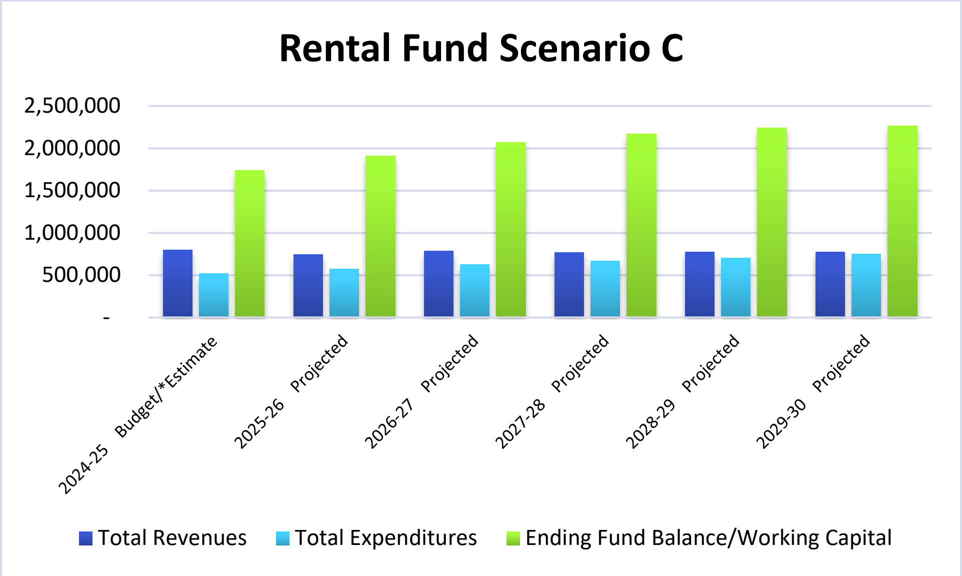
See specific cost assumptions for the General Fund in Appendix A.

RENTAL FUND

The Rental Fund is used to manage the proceeds of district facility and park rental revenues (i.e. Aspen Hall, Hollinshead Barn). Primary expenditures are personnel, building maintenance and renovation costs. We have seen recovery since the pandemic along with growth. The fund balance is to cover any shortfall in operations along with maintenance and capital repairs for the rental facilities. This fund is doing well taking care of what we rent out to the public. In all three scenarios this fund stays stable and has plenty of fund balance for future capital improvements of rental spaces.



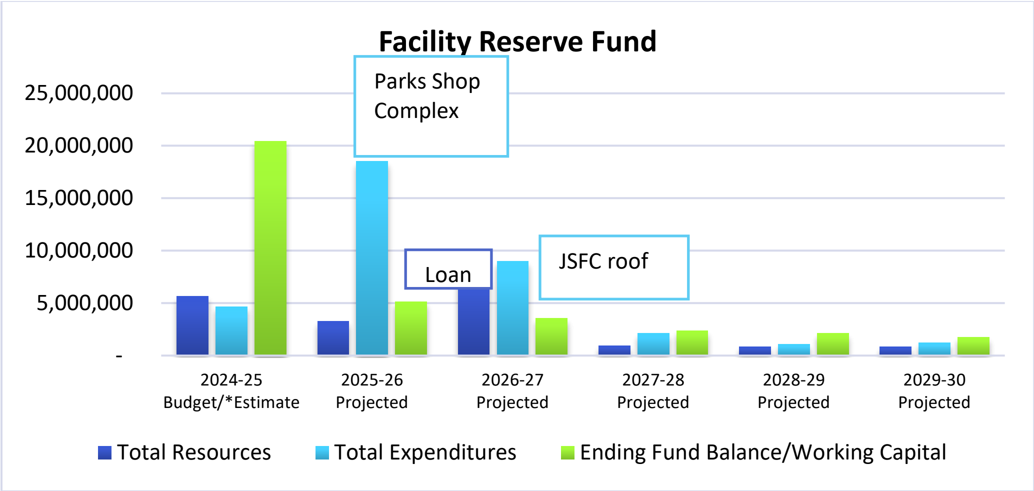




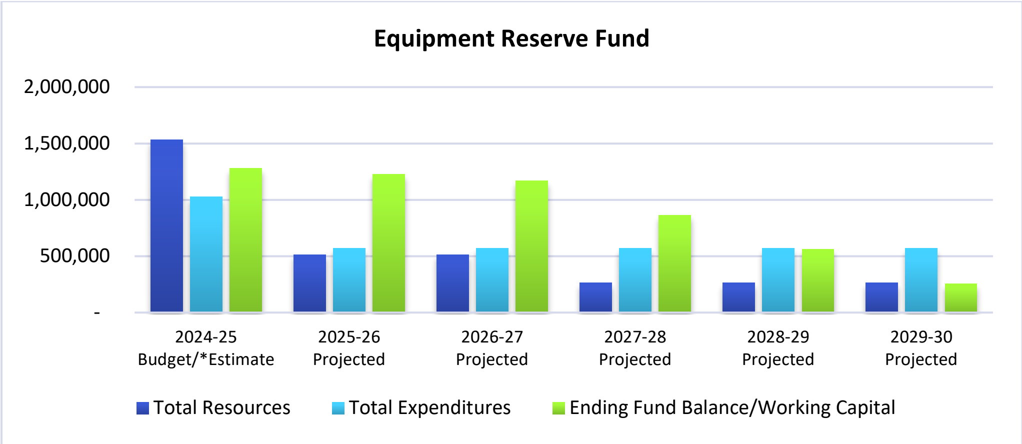
Facility Reserve and Equipment Reserve Funds

These funds are mainly funding by transfer from the General Fund. Fund balance is needed to ensure the district can adapt to unplanned or emergency repairs to facilities and equipment. *See specific cost assumptions for the Facility Reserve Fund and Equipment Reserve Fund in Appendix B.*

- *Facility Reserve Fund* is used to account for acquiring, constructing and re-developing parks, trails and buildings. Principal revenue sources are from transfers from the General Fund, investment income, grants and contributions. Primary expenditures of the fund are land acquisitions, new park development, facility projects and asset management projects. The expenditures are based on the five-year CIP to maintain the district facilities. We will be replacing the cover of the 50-meter pool and some other remodel projects at the Juniper Swim and Fitness Center, which are anticipated to be debt-funded to be paid back by the General Fund.

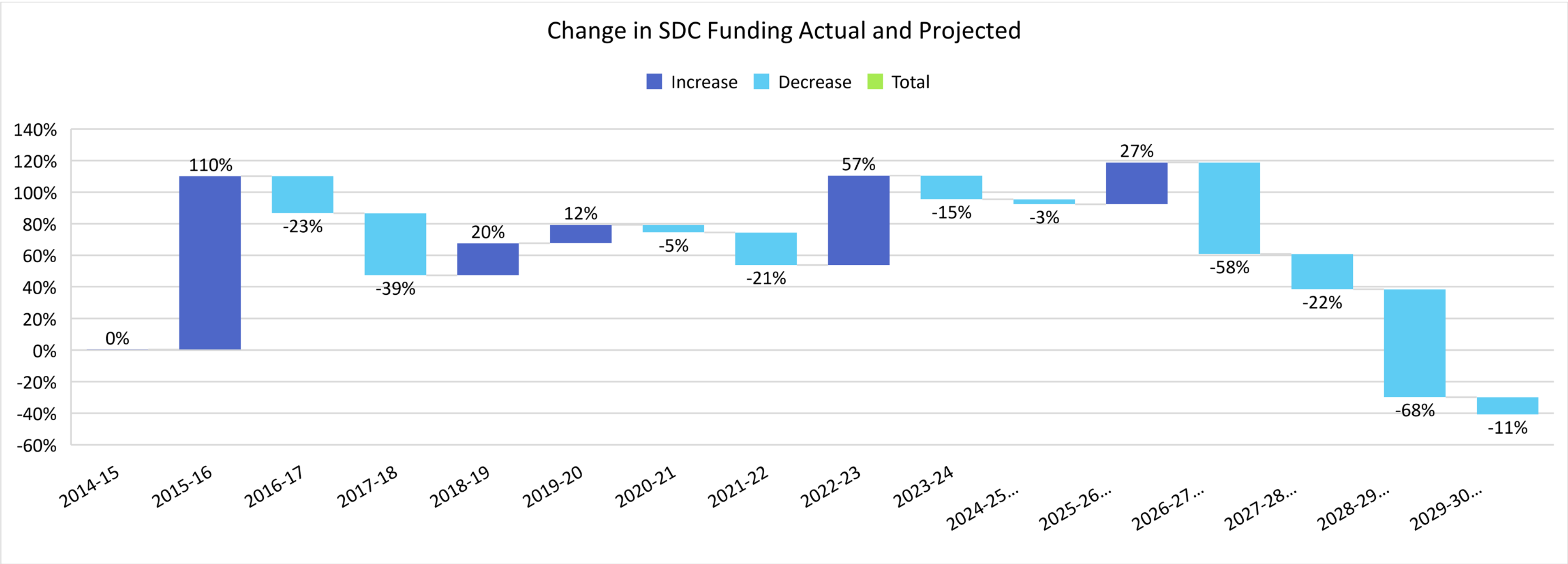


- *Equipment Reserve Fund* is authorized and established by resolution 245, on July 1, 2004, for the following specified purposes: To set aside funds, through transfers, for replacing vehicles, equipment, furniture, fixtures and technology. The expenditures are based on equipment and vehicle management. Spending varies by year depending on rotation schedules or expansion of the system or programs. As the district's equipment and vehicles age, we must maintain or replace them. This fund is intended to reserve funds for this purpose to align with our equipment and asset tracking. We are attentive to escalating vehicle prices and we have many that are reaching 20+ years of service that need to be replaced.

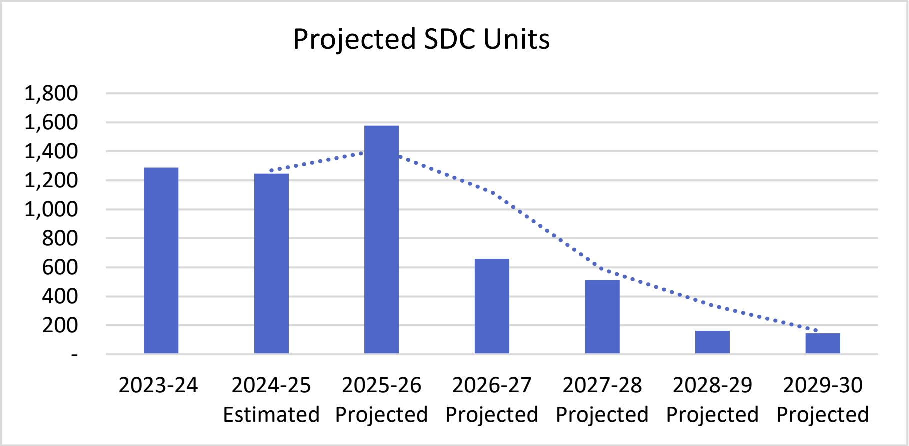


SYSTEM DEVELOPMENT CHARGES (SDC) FUND

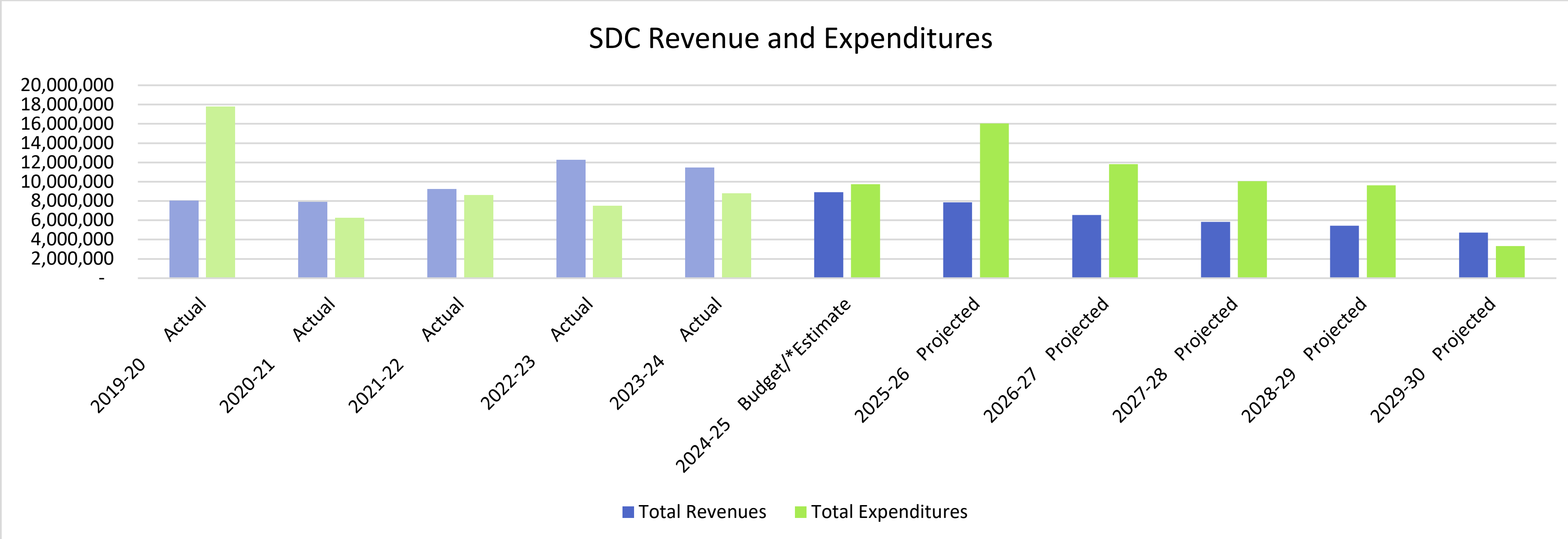
The SDC Fund is used to account for the acquisition and development of the community's park system. Funding is provided by a fee charged for developing residential properties. SDC revenue is challenging to predict, so averaging the change and reviewing downturns and recoveries is necessary. We also review the development pipeline and possible changes to plans.



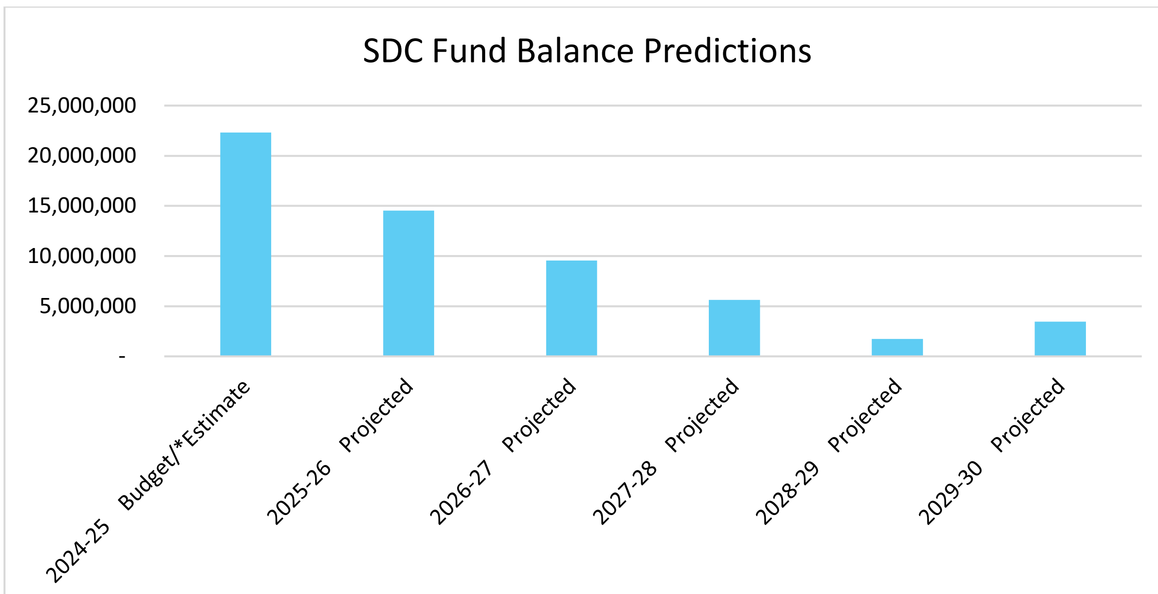
Past trends demonstrate how different each year can be for receiving this type of funding. The best approach is to calculate averages to use for revenue predictions to help plan for expenditures while predicting slowing in development.



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



With this forecast, the SDC fund has fund balance to continue to develop the needed projects to accommodate growth.



See specific cost assumptions for the SDC Fund in Appendix C.

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.

APPENDIX A- GENERAL FUND

Scenario A	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	*2024-25 Budget/*Estimate*	*2025-26 Projected*	*2026-27 Projected*	*2027-28 Projected*	*2028-29 Projected*	*2029-30 Projected*
Beginning Fund Balance	5,249,534	6,441,781	5,091,108	8,731,949	8,793,640	9,566,358	11,264,129	11,138,979	7,974,821	10,212,081	11,143,124	11,136,161	10,410,996
Revenues													
Property Taxes	16,297,454	17,329,988	18,590,866	19,359,752	20,400,847	21,695,563	22,913,508	23,593,124	24,536,849	25,518,323	26,411,464	27,203,808	28,019,922
Charges for Services	7,508,219	7,629,944	5,991,111	3,805,519	7,484,896	10,355,275	11,541,678	13,178,000	13,996,751	14,259,838	16,057,107	16,779,945	18,104,283
Investment earnings	158,511	278,964	205,998	86,388	80,801	537,159	934,684	600,000	318,993	408,483	390,009	389,766	312,330
Grant Revenue	-	-	320,802	7,089	170,020	442,000	148,671	30,000	25,000	25,000	25,000	25,000	25,000
Intergovernmental	44,499	75,599	47,952	445,000	48,847	11,600	254,072	9,000	50,000	50,000	50,000	50,000	50,000
Reimbursement of interfund services	136,072	44,542	154,501	149,762	86,316	77,467	66,761	170,000	100,000	100,000	100,000	100,000	100,000
Miscellaneous	227,040	221,256	167,674	92,801	221,460	215,479	170,228	210,900	200,000	200,000	200,000	200,000	200,000
Total Revenues	24,371,795	25,580,293	25,478,904	23,946,311	28,493,187	33,334,543	36,029,602	37,791,024	39,227,592	40,561,644	43,233,581	44,748,519	46,811,536
Transfer in	350,000	400,000	404,616	375,114	396,967	248,232	303,552	615,000	400,000	400,000	400,000	400,000	400,000
Total Resources	24,721,795	25,980,293	25,883,520	24,321,425	28,890,154	33,582,775	36,333,154	38,406,024	39,627,592	40,961,644	43,633,581	45,148,519	47,211,536
Expenditures													
Personnel	13,935,256	14,965,066	15,394,190	14,365,316	16,683,523	20,069,248	22,562,326	25,776,900	27,262,473	29,696,710	32,399,308	34,293,021	36,806,084
Materials and Services	5,166,750	5,224,915	4,994,305	4,167,871	5,426,070	7,007,706	7,638,828	8,788,407	9,127,859	9,333,890	9,804,930	10,144,357	10,496,922
Debt Service	506,962	505,985	441,184	506,547	507,843	508,050	507,150	504,875	-	-	436,306	436,306	436,306
Total Expenditures	19,661,727	22,195,966	20,829,679	19,039,734	22,617,436	27,585,004	30,708,304	35,070,182	36,390,332	39,030,601	42,640,544	44,873,684	47,739,312
Interfund Transfers Out	3,867,821	5,135,000	1,350,000	5,220,000	5,500,000	4,300,000	5,750,000	6,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Net Change in Fund Balance	1,192,247	(1,350,673)	3,703,841	61,691	772,718	1,697,771	(125,150)	(3,164,158)	2,237,260	931,043	(6,964)	(725,165)	(1,527,776)
Fund Balance	**6,441,781**	**5,091,108**	**8,794,949**	**8,793,640**	**9,566,358**	**11,264,129**	**11,138,979**	**7,974,821**	**10,212,081**	**11,143,124**	**11,136,161**	**10,410,996**	**8,883,220**

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund Balance Reserved							
Minimum Fund Balance	5,550,982	5,792,431	5,822,453	6,244,896	6,822,487	7,179,789	7,638,290
Remaining Fund Balance	***5,587,997***	2,182,390	4,389,628	4,898,228	4,313,674	3,231,207	1,244,930

Scenario B	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	*2024-25 Budget/*Estimate*	*2025-26 Projected*	*2026-27 Projected*	*2027-28 Projected*	*2028-29 Projected*	*2029-30 Projected*
Beginning Fund Balance	5,249,534	6,441,781	5,091,108	8,731,949	8,793,640	9,566,358	11,264,129	11,138,979	7,974,821	10,212,081	10,486,530	9,824,202	8,384,434
Revenues													
Property Taxes	16,297,454	17,329,988	18,590,866	19,359,752	20,400,847	21,695,563	22,913,508	23,593,124	24,536,849	25,518,323	26,411,464	27,203,808	28,019,922
Charges for Services	7,508,219	7,629,944	5,991,111	3,805,519	7,484,896	10,355,275	11,541,678	13,178,000	13,996,751	14,259,838	16,057,107	16,779,945	18,104,283
Investment earnings	158,511	278,964	205,998	86,388	80,801	537,159	934,684	600,000	318,993	408,483	367,029	343,847	251,533
Grant Revenue	-	-	320,802	7,089	170,020	442,000	148,671	30,000	25,000	25,000	25,000	25,000	25,000
Intergovernmental	44,499	75,599	47,952	445,000	48,847	11,600	254,072	9,000	50,000	50,000	50,000	50,000	50,000
Reimbursement of interfund services	136,072	44,542	154,501	149,762	86,316	77,467	66,761	170,000	100,000	100,000	100,000	100,000	100,000
Miscellaneous	227,040	221,256	167,674	92,801	221,460	215,479	170,228	210,900	200,000	200,000	200,000	200,000	200,000
Total Revenues	24,371,795	25,580,293	25,478,904	23,946,311	28,493,187	33,334,543	36,029,602	37,791,024	39,227,592	40,561,644	43,210,600	44,702,600	46,750,739
Transfer in	350,000	400,000	404,616	375,114	396,967	248,232	303,552	615,000	400,000	400,000	400,000	400,000	400,000
Total Resources	24,721,795	25,980,293	25,883,520	24,321,425	28,890,154	33,582,775	36,333,154	38,406,024	39,627,592	40,961,644	43,610,600	45,102,600	47,150,739
Expenditures													
Personnel	13,935,256	14,965,066	15,394,190	14,365,316	16,683,523	20,069,248	22,562,326	25,776,900	27,262,473	30,353,305	33,031,691	34,961,706	37,529,689
Materials and Services	5,166,750	5,224,915	4,994,305	4,167,871	5,426,070	7,007,706	7,638,828	8,788,407	9,127,859	9,333,890	9,804,930	10,144,357	10,496,922
Debt Service	506,962	505,985	441,184	506,547	507,843	508,050	507,150	504,875	-	-	436,306	436,306	436,306
Total Expenditures	19,661,727	22,195,966	20,829,679	19,039,734	22,617,436	27,585,004	30,708,304	35,070,182	36,390,332	39,687,195	43,272,928	45,542,369	48,462,917
Interfund Transfers Out	3,867,821	5,135,000	1,350,000	5,220,000	5,500,000	4,300,000	5,750,000	6,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Net Change in Fund Balance	1,192,247	(1,350,673)	3,703,841	61,691	772,718	1,697,771	(125,150)	(3,164,158)	2,237,260	274,449	(662,328)	(1,439,768)	(2,312,178)
Fund Balance	**6,441,781**	**5,091,108**	**8,794,949**	**8,793,640**	**9,566,358**	**11,264,129**	**11,138,979**	**7,974,821**	**10,212,081**	**10,486,530**	**9,824,202**	**8,384,434**	**6,072,256**
Fund Balance Reserved													
Minimum Fund Balance							5,550,982	5,792,431	5,822,453	6,349,951	6,923,668	7,286,779	7,754,067
Remaining Fund Balance							***5,587,997***	2,182,390	4,389,628	4,136,579	2,900,534	1,097,655	(1,681,811)

Scenario C	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	*2024-25 Budget/*Estimate*	*2025-26 Projected*	*2026-27 Projected*	*2027-28 Projected*	*2028-29 Projected*	*2029-30 Projected*
Beginning Fund Balance	5,249,534	6,441,781	5,091,108	8,731,949	8,793,640	9,566,358	11,264,129	11,138,979	7,974,821	10,212,081	10,369,869	9,581,340	8,002,909
Revenues													
Property Taxes	16,297,454	17,329,988	18,590,866	19,359,752	20,400,847	21,695,563	22,913,508	23,593,124	24,536,849	25,518,323	26,411,464	27,203,808	28,019,922
Charges for Services	7,508,219	7,629,944	5,991,111	3,805,519	7,484,896	10,355,275	11,541,678	13,178,000	13,996,751	14,259,838	16,057,107	16,779,945	18,104,283
Investment earnings	158,511	278,964	205,998	86,388	80,801	537,159	934,684	600,000	318,993	408,483	362,945	335,347	240,087
Grant Revenue	-	-	320,802	7,089	170,020	442,000	148,671	30,000	25,000	25,000	25,000	25,000	25,000
Intergovernmental	44,499	75,599	47,952	445,000	48,847	11,600	254,072	9,000	50,000	50,000	50,000	50,000	50,000
Reimbursement of interfund services	136,072	44,542	154,501	149,762	86,316	77,467	66,761	170,000	100,000	100,000	100,000	100,000	100,000
Miscellaneous	227,040	221,256	167,674	92,801	221,460	215,479	170,228	210,900	200,000	200,000	200,000	200,000	200,000
Total Revenues	24,371,795	25,580,293	25,478,904	23,946,311	28,493,187	33,334,543	36,029,602	37,791,024	39,227,592	40,561,644	43,206,517	44,694,100	46,739,293
Transfer in	350,000	400,000	404,616	375,114	396,967	248,232	303,552	615,000	400,000	400,000	400,000	400,000	400,000
Total Resources	24,721,795	25,980,293	25,883,520	24,321,425	28,890,154	33,582,775	36,333,154	38,406,024	39,627,592	40,961,644	43,606,517	45,094,100	47,139,293
Expenditures													
Personnel	13,935,256	14,965,066	15,394,190	14,365,316	16,683,523	20,069,248	22,562,326	25,776,900	27,262,473	30,469,966	33,153,809	35,091,869	37,665,007
Materials and Services	5,166,750	5,224,915	4,994,305	4,167,871	5,426,070	7,007,706	7,638,828	8,788,407	9,127,859	9,333,890	9,804,930	10,144,357	10,496,922
Debt Service	506,962	505,985	441,184	506,547	507,843	508,050	507,150	504,875	-	-	436,306	436,306	436,306
Total Expenditures	19,661,727	22,195,966	20,829,679	19,039,734	22,617,436	27,585,004	30,708,304	35,070,182	36,390,332	39,803,856	43,395,046	45,672,531	48,598,235
Interfund Transfers Out	3,867,821	5,135,000	1,350,000	5,220,000	5,500,000	4,300,000	5,750,000	6,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Net Change in Fund Balance	1,192,247	(1,350,673)	3,703,841	61,691	772,718	1,697,771	(125,150)	(3,164,158)	2,237,260	157,788	(788,529)	(1,578,431)	(2,458,942)
Fund Balance	**6,441,781**	**5,091,108**	**8,794,949**	**8,793,640**	**9,566,358**	**11,264,129**	**11,138,979**	**7,974,821**	**10,212,081**	**10,369,869**	**9,581,340**	**8,002,909**	**5,543,967**
						Fund Balance Reserved							
773,307.00						Minimum Fund Balance	5,550,982	5,792,431	5,822,453	6,368,617	6,943,207	7,307,605	7,775,718
						Remaining Fund Balance	***5,587,997***	2,182,390	4,389,628	4,001,252	2,638,133	695,304	(2,231,751)

Appendix B- Facility Reserve Fund and Equipment Reserve Fund

Facility Reserve Fund

	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	*2024-25 Budget/*Estimate*	*2025-26 Projected*	*2026-27 Projected*	*2027-28 Projected*	*2028-29 Projected*	*2029-30 Projected*
Beginning Working Capital	14,865,720	12,874,180	11,305,886	15,889,593	18,106,907	19,415,494	20,408,684	5,142,133	3,538,133	2,357,058	2,112,058
Revenues											
Interest	306,894	81,112	64,616	431,608	684,197	500,000	200,000	100,000	75,000	75,000	75,000
Grant and Contribution Revenue	107,972	-	200,000	150,000	144,650	-	2,548,636	766,000	100,000	-	-
Intergovernmental		-	301,106	51,127	16,326	-	-	-	-	-	-
Loan proceeds JSFC (GF debt)	-	-	-	-	-	-	-	6,000,000	-	-	-
Miscellaneous	-	185,207	144,364	-	21,416	50,000	5,000	5,000	5,000	5,000	5,000
Total Revenues	414,865	266,319	710,086	632,735	866,589	550,000	2,753,636	6,871,000	180,000	80,000	80,000
Interfund Transfers in	1,000,000	4,970,000	5,250,000	4,000,000	5,500,000	5,100,000	500,000	500,000	750,000	750,000	750,000
Total Resources	1,414,865	5,236,319	5,960,086	4,632,735	6,366,589	5,650,000	3,253,636	7,371,000	930,000	830,000	830,000
Expenditures											
By Category:											
Materials and Services	-	-	-	870,215	236,606	106,400	200,000	200,000	200,000	200,000	200,000
Capital Outlay	3,406,406	6,804,613	1,376,379	1,545,206	4,821,396	4,550,410	18,320,187	8,775,000	1,911,075	875,000	1,015,000
Total Expenditures	3,406,406	6,804,613	1,376,379	2,415,421	5,058,002	4,656,810	18,520,187	8,975,000	2,111,075	1,075,000	1,215,000
Net Change in Fund Balance	(1,991,540)	(1,568,294)	4,583,707	2,217,314	1,308,587	993,190	(15,266,551)	(1,604,000)	(1,181,075)	(245,000)	(385,000)
Ending Fund Balance/Working Capital	**12,874,180**	**11,305,886**	**15,889,593**	**18,106,907**	**19,415,494**	**20,408,684**	**5,142,133**	**3,538,133**	**2,357,058**	**2,112,058**	**1,727,058**
Fund Balance Reserved											
Contingency						2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Park Maint						9,100,000		-	-	-	-
50 Meter Pool Structure						5,300,000	-	-	-	-	-
Asset Mangement (CIP+)											
						16,400,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Remaining Fund Balance						***4,008,684***	***4,142,133***	***2,538,133***	***1,357,058***	***1,112,058***	***727,058***

Equipment Reserve Fund

	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	*2024-25 Budget/*Estim*	*2025-26 Projected*	*2026-27 Projected*	*2027-28 Projected*	*2028-29 Projected*	*2029-30 Projected*
Beginning Working Capital	585,423	605,039	714,852	840,361	606,294	774,937	1,279,837	1,224,837	1,169,837	864,837	559,837
Revenues											
Interest	7,510	4,398	3,897	18,410	17,894	22,000	5,000	5,000	5,000	5,000	5,000
Grant Revenue	1,090	-	17,249	5,000	8,863	-	-	-	-	-	-
Other Income Misc. Rev	24,350	15,850	10,376	50,880	39,642	10,000	10,000	10,000	10,000	10,000	10,000
Total Revenues	32,950	20,248	31,522	74,290	66,399	32,000	15,000	15,000	15,000	15,000	15,000
Interfund Transfers in	350,000	250,000	250,000	300,000	750,000	1,500,000	500,000	500,000	250,000	250,000	250,000
Total Resources	382,950	270,248	281,522	374,290	816,399	1,532,000	515,000	515,000	265,000	265,000	265,000
Expenditures											
Materials and Services	-	-	-	35,651	80,674	108,700	20,000	20,000	20,000	20,000	20,000
Capital Outlay	363,334	160,435	156,013	572,706	567,082	918,400	550,000	550,000	550,000	550,000	550,000
Total Expenditures	363,334	160,435	156,013	608,357	647,756	1,027,100	570,000	570,000	570,000	570,000	570,000
Net Change in Fund Balance	19,616	109,813	125,509	(234,067)	168,643	504,900	(55,000)	(55,000)	(305,000)	(305,000)	(305,000)
Ending Fund Balance/Working Capital	**605,039**	**714,852**	**840,361**	**606,294**	**774,937**	**1,279,837**	**1,224,837**	**1,169,837**	**864,837**	**559,837**	**254,837**
Fund Balance Reserved											
Contingency							150,000	150,000	150,000	150,000	150,000
Remaining Fund Balance							1,074,837	1,019,837	714,837	409,837	104,837

Appendix C- System Development Charges

	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	*2024-25 Budget/*Estimate*	*2025-26 Projected*	*2026-27 Projected*	*2027-28 Projected*	*2028-29 Projected*	*2029-30 Projected*
RESOURCES											
Beginning Working Capital	24,264,961	14,084,912	15,389,208	15,602,570	20,122,789	22,522,831	22,316,303	14,537,040	9,555,257	5,629,013	1,744,911
Revenues											
Interest and Misc	423,661	125,327	116,455	1,514,715	928,218	708,000	615,193	547,830	328,816	445,000	229,000
System Development Charges	7,600,115	7,792,806	9,124,371	10,772,411	10,548,400	8,200,000	7,250,000	6,000,000	5,500,000	5,000,000	4,500,000
Total Revenues	8,023,776	7,918,133	9,240,826	12,287,126	11,476,618	8,908,000	7,865,193	6,547,830	5,828,816	5,445,000	4,729,000
Expenditures											
Planning and Design Program:											
Materials and Services	16,712	8,329	2,554	169,410	61,519	32,000	25,000	25,000	25,000	25,000	25,000
Capital Outlay	17,782,498	6,230,394	8,627,943	7,349,265	8,711,506	9,697,528	16,019,456	11,804,613	10,030,060	9,604,102	3,300,000
Total Expenditures	17,799,210	6,238,723	8,630,497	7,518,675	8,773,025	9,729,528	16,044,456	11,829,613	10,055,060	9,629,102	3,325,000
Net Change in Fund Balance	(9,775,434)	1,679,410	610,329	4,768,451	2,703,593	(821,528)	(8,179,263)	(5,281,783)	(4,226,244)	(4,184,102)	1,404,000
Interfund Transfers Out	404,616	375,114	396,967	248,232	303,551	615,000	400,000	300,000	300,000	300,000	300,000
Ending Fund Balance/Working Capital	**14,084,912**	**15,389,208**	**15,602,570**	**20,122,789**	**22,522,831**	**22,316,303**	**14,537,040**	**9,555,257**	**5,629,013**	**1,744,911**	**3,448,911**

	2025-26	2026-27	2027-28	2028-29	2029-30
Fund Balance Reserved					
Contingency	2,000,000	2,000,000	2,000,000	1,744,911	2,000,000
Asset Management (CIP)	11,286,783	7,555,257	3,629,013		1,448,911
Remaining Fund Balance	1,250,257	(0)	(0)	(0)	(0)

Bend Park & Recreation District

Brady Fuller, Chair

User Fees and Charges

SECTION 1: GENERAL POLICY

1. Purpose

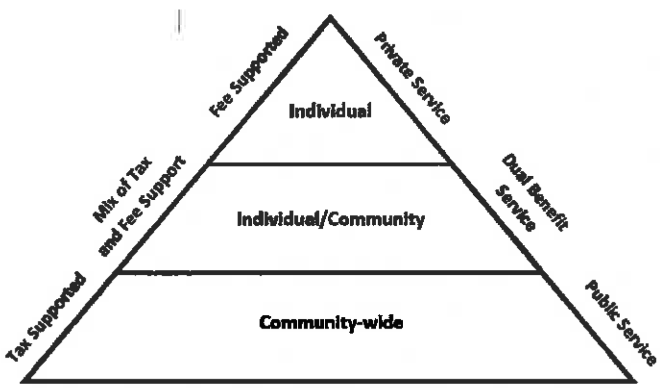
The purpose of the policy is to provide Board direction to staff in setting fees and charges for programs, facilities and other services.

2. Introduction

The Bend Park and Recreation District relies on a mixture of tax revenue 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 and natural areas and help support a wide variety of recreation opportunities. Fees and charges are used to offset some or all of the cost of individual participation in a program or use of a facility. Fees and charges shift some of the cost of providing a service to the individuals who benefit directly from it. By charging fees, greater tax support is available to spread over a broader range of services allowing for a more diverse and sustainable park and recreation system.

3. Funding Philosophy

The District approach to funding park and recreation services is represented in the Funding Model below. This model illustrates the relationship between the expectation for, access to and benefit from a service and how the service is funded.



Degree of Expectation, Access and Benefit

Reviewer: Director of Recreation
Last Review Date: February 2019
Next Review Date: February 2024
Review Schedule: 5 years

General Service Categories

A. **Community-wide**: Public services that are basic expectations, are widely accessible and provide community-wide benefit make up the base of the Funding Model. These services are usually supported fully or heavily through tax revenues. Examples include: acquiring, developing and maintaining parks, trails and natural areas; completing capital improvement projects; providing essential planning and administrative services; and, facilitating outreach and inclusion so that all may benefit from the system.

B. **Individual/Community**: Many services provided by the District are not usually considered a basic service but respond to varying levels of community expectations and offer a blend of community and individual access and benefit. These dual benefit services are supported by a mix of user fees and tax revenues proportional to the degree of community expectation and access that the service provides. Examples include: the operation of recreation facilities; most recreation programs; community events; and, facility rentals for non-profit organizations offering community programs.

C. **Individual:** Services that are not generally expected and/or have limited access and benefit to the community at large are considered private services. These services should not be subsidized through tax revenue and in most cases should generate revenue that help support other services that provide broader community access and benefit. Examples include: concession and merchandise sales; private and/or advanced instruction; and, private and commercial use of facilities.

4. **Cost Recovery Methodology**

A. Cost recovery is the method for aligning fee and tax support with the funding philosophy described above. Cost recovery represents the portion of the cost of providing a program or service that is recovered through user fees. Services with broader community expectation, access and benefit therefore should have a lower cost recovery expectation than services that have more limited and individual access and benefit.

B. Cost recovery expectations for different categories of services are approved and periodically reviewed by the Board of Directors. These cost recovery expectations provide guidance and direction to staff for establishing fees for fee-based services. The cost recovery expectations for service categories are expressed as a range. This is because a variety of factors influence actual cost recovery that cannot always be predicted during the fee setting process including: the number of enrollments; facility utilization levels; and, certain costs. By providing a cost recovery range instead of a single target, it is more realistic to ensure that services are consistently falling in the approved cost recovery guidelines.

5. Subsidy Allocation

Subsidy allocation is the actual amount of tax subsidy that is provided for a service based on the cost recovery expectation. For example, a service that costs $100,000 to provide and has an 80% cost recovery expectation would require a tax subsidy of $20,000 whereas another service that has the same cost recovery expectation but costs $1,000,000 to provide would require a $200,000 tax subsidy. Because tax subsidy requirements can vary greatly even with the same cost recovery expectation, it is important that subsidy allocation is considered alongside cost recovery. Subsidy allocations for different services are approved by the Board of Directors annually through the budget process.

6. Fee Setting Methods

A. Fee setting for District programs and services are based primarily on the cost recovery methodology described above. Specifically, this includes:
   - Determining the appropriate category for the program/service
   - Identifying the cost of providing the program/service
   - Applying the approved cost recovery guidelines
B. Fee setting will also take into account market considerations where applicable including:
   - What people would typically expect or be willing to pay for the service
   - Comparisons with other providers, both public and private, relative to the value of the service
   - Balancing participation goals and affordability with cost recovery expectation
C. Program fees should at a minimum meet the cost recovery guidelines. Program fees and the resulting cost recovery may be higher when market conditions allow, freeing resources for programs and services that require higher rates of tax support.

7. Fee Setting Authority

A. The Board of Directors approves cost recovery guidelines for different categories of programs and services. These guidelines are included in this policy and shall be reviewed no less than every four (4) years.
B. Fees are established by staff for specific programs and services based on the Board-approved guidelines in this policy. Fees will be evaluated and updated to ensure they continue to meet cost recovery guidelines.
C. The Board delegates to the Executive Director or designee the authority to approve fees that do not meet the cost recovery guidelines.

SECTION II: COST RECOVERY GUIDELINES FOR RECREATION PROGRAMS AND SERVICES

1. **Program Category Descriptions**: District recreation programs and services are separated into the following categories based on the degree of community versus individual access and benefit the program provides and the relative level of expectation and reliance the community has for the program.
   A. **Issue-Focused Services**: Programs and services designed to address a community issue or need that the District has identified as a priority for use of tax resources. Services such as needs-based assistance, inclusion services, outreach and targeted programming to underserved populations are examples.
   B. **Core Programs**: Programs that are central to supporting the District's mission and initiatives and that there is strong expectation that the District provides. It is also unlikely that other providers could meet the community need. Programs in this category have broad interest, access and participation such as public swimming and skating times or serve a strongly identified need such as after school care, swim lessons and youth sport leagues.
   C. **Complementary Programs:** Programs that complement core services and contribute to fulfilling the District mission but that there is a lower expectation for the District to provide. Similar programs are typically offered by other providers. Programs in this category include activies with more specilized interest and focus and generally lower capacity and particiaption such as art, enrichment, STEM and facilitated outdoor programs.
   D. **Specialized Programs**: Programs not expected and/or necessary to fulfill the mission of the District and serve a narrower population or interest. Programs often require a specific skill level and/or have very limited capacity, and are usually offered by private providers as well. Examples include advanced classes and camps, individualized instruction, small group training, etc.
   E. **Private Benefit Services**: Services that do not directly support the District mission but are desired by some and can produce revenue to help offset the cost of providing public benefit services. Examples include food and beverage sales, merchandise for resale and private rentals of facilities.

2. **Cost Recovery Guidelines:** The following cost recovery guidelines will be used to establish fees for the categories of recreation programs and services described above. Operated facilities include Juniper Swim & Fitness Center, The Pavilion and Larkspur Community Center.

Table 1: Cost Recovery Guidelines for Recreation Programs

Program Category	Operated Facility	Non-Operated Facility
Issue-Focused Services	0-50%	0-50%
Core Programs	60-80%	80-100%
Complementary Programs	80-100%	100-120%
Specialized Programs	100-120%	120-140%
Private Benefit Services	120%+	140%+

3. **Costs Included in Cost Recovery:** The following cost will be considered when applying the cost recovery guidelines to the different categories of recreation programs and services.

Table 2: Costs included in Recreation Program Cost Recovery

Location	Direct Costs	Program Management	Registration	Marketing	Facility Operations	Organizational Support	Capital Costs
Operated Facility	Yes	Yes	Yes	Yes	Yes	No	No
Non-Operated	Yes	Yes	Yes	Yes	No	No	No

- **Direct Costs** – costs directly associated with providing the program including staff wages, payroll taxes and benefits, consumable program supplies, etc.
- **Program Management** – costs of planning, coordinating and managing the program including staff wages, payroll taxes and benefits, and indirect costs such as office supplies, phone, staff training, etc.
- **Registration** – costs associated with registration and customer service to support the activity including customer service wages, payroll taxes and benefits, credit card processing fees, printing, etc.
- **Marketing** – costs associated with marketing and communication efforts including the production and mailing of the program guide, website management, advertising and other collateral material.
- **Facility Operations** – direct costs of operating and maintaining facilities including utilities, maintenance, repairs, janitorial, and staffing and materials required to support the ongoing maintenance and operations of a facility.
- **Organizational Support** – services that support the overall operation of the District, including: Human Resources, Finance, Business, IT, Community Relations, Planning and Development, Executive Directors office, etc.
- **Capital Costs** – the initial capital costs to develop the facility, including annual debt service payments or depreciation of these investments and ongoing capital costs required to maintain and improve District facilities and assets.

SECTION III: COST RECOVERY GUIDELINES FOR RENTAL FACILITIES

1. **Rental Definitions:** A facility rental is considered any third party reserved use of a District park, facility or portion thereof. Facility rentals are divided into the following three service categories for cost recovery consideration.
    - **Community Events:** Functions that are promoted as community-wide events and open to all who choose to participate.
    - **Organized Sport User Groups:** Use of facilities to operate organized sports or other recreation activities that are open with some limitations to registered participants.
    - **Exclusive Functions:** Rentals intended for exclusive use by invited guests such as weddings, birthday parties, holiday parties, reunions, etc.

2. **Renter Types:** The District recognizes four types of renters in its cost recovery guidelines. The renter type is based on the purpose of the rental function rather than the renting entity.
    - **Partner:** Renter is a formal partner of the District for the rental function.
    - **Non-profit:** Renter is a non-profit organization conducting activities that directly support the mission and purpose of the non-profit organization.
    - **Private:** Renter is a private individual.
    - **Commercial:** Renter is engaging in a commercial "for-profit activity" whether a fee is charged directly or not.

3. **Cost Recovery Guidelines:** The following cost recovery guidelines will be used to establish fees for the various categories and types of facility rentals.

Table 3: Cost Recovery Guidelines for Rental Facilities

Rental Function	Partner	Non-Profit	Private	Commercial
Community Events	0-50%	50-75%	N/A	100-125%
Organized Sport User Groups	0-50%	75-100%	100-125%	125-150%
Exclusive Rentals	0-50%	100-125%	125-150%	150-200%

4. **Costs Included in Cost Recovery:** The following cost will be considered when applying the cost recovery guidelines to the different types of facility rentals.

Table 4: Costs included in Rental Facility Cost Recovery

Facility Type	Reservation	Direct Service	Facility Operations	Organizational Support	Capital Improve-ments	Capital Costs
Parks & Shelters	Yes	Yes	No	No	No	No
Athletic Fields	Yes	Yes	No	No	No	No
Recreation Facilities	Yes	Yes	Yes	No	No	No
Rental Halls	Yes	Yes	Yes	Yes	Yes	No

- **Reservation** – costs associated with reserving and renting the facility, including processing reservations, credit card procession fees, permits, logistical plans, etc.
- **Direct Service** – cost of direct services provided by the District to support the rental activity such as athletic field preparation for specific activity, athletic field lighting, additional trash or restroom service, site and utility modifications, staff logistical support, delivery and/or set-up of equipment, etc.
- **Facility Operations** – direct costs of operating and maintaining a park or facility including utilities, maintenance, janitorial service, general turf maintenance, staffing and materials required to support the ongoing maintenance and operations of a facility, etc.
- **Organizational Support** – services that support the overall operation of the District, including: Human Resources, Finance, Business, IT, Community Relations, Planning and Development, Executive Directors office, etc.
- **Capital Improvements** – capital costs required to maintain and improve District facilities and assets.
- **Capital Costs** – the initial capital cost to develop the facility, including annual debt service payments or depreciation of these investments.

SECTION IV: OUT-OF-DISTRICT USE AND FEES

1. **Philosophy:** The Bend Park and Recreation District was established to provide park and recreation services to those who reside or own property within district boundaries. District residents and property owners pay taxes to support District operations. The District recognizes visitors and residents from outside of the District's boundaries will also use and enjoy District parks, facilities and programs. In order to limit the financial subsidy of providing services to non-resident users and ensure that non-resident users pay their fair share for services, the District will normally assess additional fees to non-resident users where fees are charged.

2. **Recreation Programs**
   A. Most District recreation programs are designed primarily to serve and benefit district residents; however, the District encourages non-resident participation as many would not otherwise have access to these services. Non-resident participation can also contribute to the overall financial viability of programs by filling available spots. In the event that non-resident participation significantly displaces district residents, the District will consider implementing priority registration to district residents through early registration or other means.

   B. Non-residents will be charged a 20% out-of-district fee in addition to the in-district fee to participate in most recreation programs. The following recreation programs are exempt from out-of-district fees:
      - Drop-in fees at recreation facilities (due to the difficulty in verifying District residency)
      - Programs offered in partnership with Bend-La Pine Schools (for students who reside outside the Bend Park and Recreation District, but within the Bend-La Pine School District boundaries)
      - Private-benefit and specialized services that exist to generate revenue and do not require tax support (i.e. concession and merchandise sales, personal instruction, specialized training, etc.)
      - Exceptions as granted by the Executive Director

3. **Facility Rentals**
   A. District facilities are developed and operated primarily to benefit district residents. Many of these facilities are made available for rent by private parties or organizations. The District will prioritize residents when feasible; however, many facilities are scheduled on a first come, first serve basis so resident priority is not possible.
   B. Non-residents will be charged a 20% out-of-district fee in addition to the in-district fee to rent facilities. The following rentals are exempt from out-of-district fees.
      - Governmental agencies or non-profit organizations serving district residents
      - Exceptions as granted by the Executive Director

SECTION V: NEEDS-BASED ASSISTANCE

1. **Philosophy:** The District believes that everyone should have the opportunity to benefit from recreation activities. The District provides this opportunity by offering a diverse array of recreation options, from parks and trails to recreation facilities and programs. Many recreation options are available to the public without charge, including: parks, trails, playgrounds, outdoor basketball courts, skate parks, tennis and pickleball courts, etc. Most organized recreation programs and indoor recreation facilities require a fee to participate. The District recognizes that these fees can present a barrier for some. As a result, the District provides assistance to facilitate access to fee-based recreation programs and facilities for those who are unable to pay the regular fee. While the District would like to make all programs available to district residents regardless of ability to pay, services must be prioritized to ensure that the highest and most critical needs are met with available resources.

2. **Types of Needs-Based Assistance:** Financial assistance is provided by the District through two primary methods.
   A. **Recreation Scholarship Program** uses resources from a specifically budgeted line item to fund a portion of the regular participation fees. The Recreation Scholarship Program is supported through revenue received from cell phone tower leases, Bend Park and Recreation Foundation donations, and General Fund tax resources.
   B. **Free or Low Fee Programs** includes programs that are offered free to the entire community and/or subsidized services that target low income families and individuals.

3. **Eligibility For Needs-Based Assistance:**
   A. Eligibilty will be based on Federal Poverty Guidelines for household income and family size. The District will have a two-tiered system: high need and moderate need. To the degree possible, the qualifying income levels will be coordinated with other assistance programs including school Free and Reduced Lunch Program, SNAP, TANF and Oregon Health Plan,
   B. The District will work with the Family Action Network and other local agencies to identify and address extreme cases where assistance programs are not adequate to facilitate participation.

4. **Funding Priorities:** In order to ensure the most critical needs and services are funded, the following priorities have been established:
   A. Priority will be given to the following **populations** in order:
      1. Individuals with disabilities, including those on long-term disability.
      2. Youth 18 years and younger.
      3. Adults 19 years and older with qualifying health considerations.
      4. General senior population (65-years or older).
      5. General adult population (19-64 years).
   B. Priority will be given to the following **programs/services** in order:
      1. Issue-focused programs.

2. Core recreation programs.
3. Complementary recreation programs.
4. Needs-based assistance will not be offered for specialized programs, private services, rentals or the out of district portion of fees.

5. Needs-Based Assistance Plan and Funding:

A. An annual Needs-Based Assistance Plan including recommendations regarding service levels and funding requirements will be approved by the District Board of Directors.

B. The funding required for the Needs-Based Assistance Plan will be approved through the budget process each year.

C. The following strategies will be considered if the approved funding is not adequate to meet the demand for needs-based assistance.
   1. Suspend funding to lower priority populations.
   2. Suspend funding of complementary recreation programs.
   3. Reduce the percentage of fee covered by needs-based assistance programs.
   4. Implement limits on the amount of funding received per individual/household.

FY2026 – FY2030

Recreation Forecast

Board Workshop 1.31.2025

Prepared by Matt Mercer
Recreation Services Director

Recreation Forecast FY2026 - FY2030

The Recreation 5-Year Financial Forecast is updated annually and integrated into the overall District Financial Forecast. There are three main reasons for sharing a recreation-specific forecast with the board. First, because the Recreation Department is largely supported by user fees, the forecast is based on supply and demand assumptions that can make it more susceptible to market conditions. Second, while the Recreation Department accounts for the largest portion of district general fund expenditures, the impact on the district budget and long-term sustainability needs to focus on the tax subsidy required rather than the overall department budget. Third, the board annually reviews and approves cost recovery levels that guide fee setting and determine the level of subsidy required to support recreation. It would be difficult for the board to make an informed decision on this without an understanding of the financial impacts.

Overall Considerations

The Financial Forecast is based on a moderate outlook, neither conservative nor overly optimistic. Financial forecasting is especially challenging in recreation due to the uncertainty regarding demand and revenue. Recreation does have significant variable costs, both staffing and supplies, that can respond directly to changes in demand. However, recreation also has substantial and increasing fixed costs, mostly associated with operated recreation facilities. Historically, recreation has been able to respond to changes in demand and keep revenue and expenses aligned resulting in annual subsidy requirements that outperform budget. This forecast represents what can be reasonably expected, especially regarding the tax subsidy required to support recreation facilities, programs and services at the current and anticipated level of service.

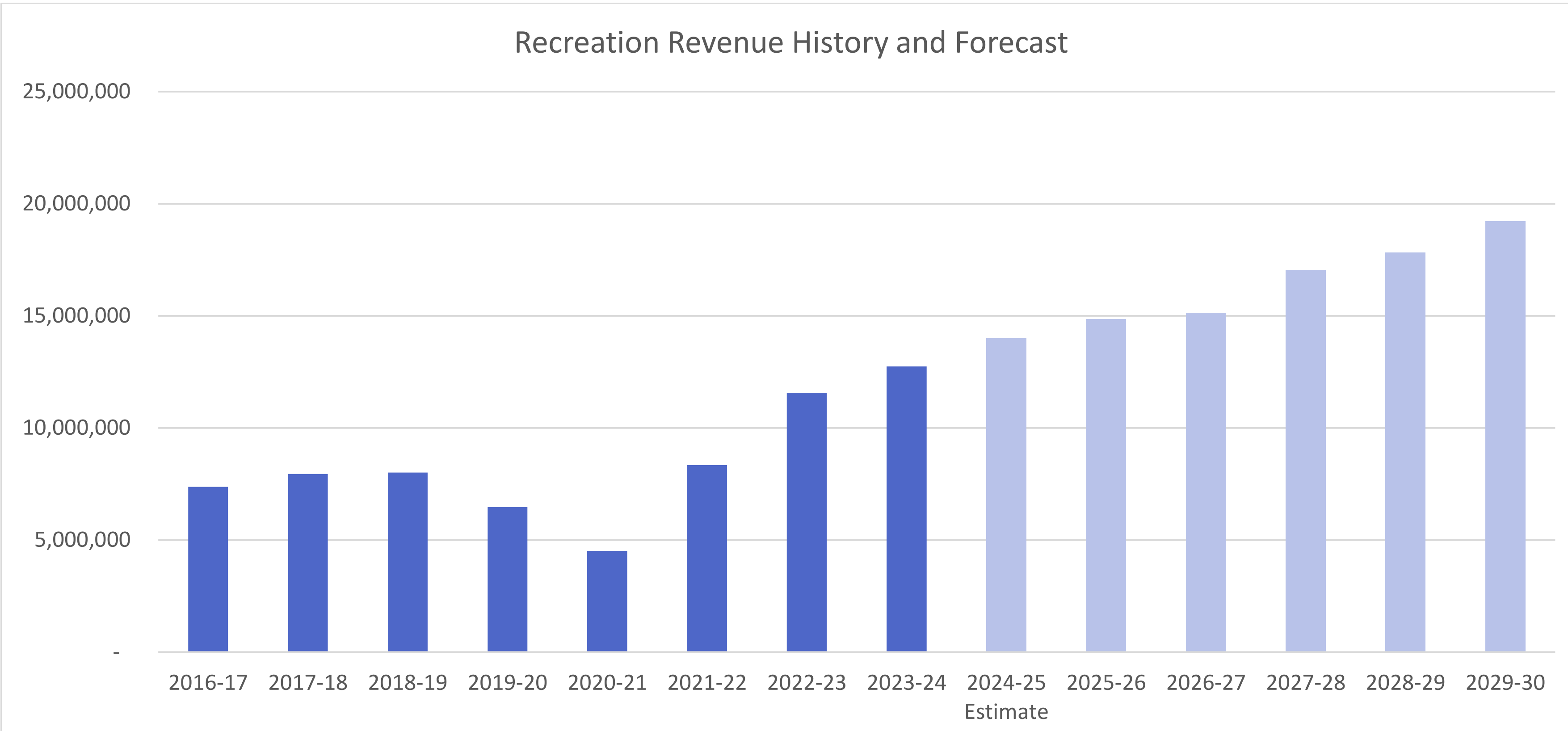
Major Assumptions

The financial forecast is built on the following major assumptions in addition to assumptions made in the District Financial Forecast, including a relatively stable economy in terms of growth, inflation, unemployment and lack of recession:

- Current cost recovery guidelines remain in place and are met or exceeded for all programs.
- New Art Station operations and expanded programming beginning FY 26-27.
- Modification to Juniper Swim & Fitness Center operations in FY 26-27 for the replacement of the 50-meter pool cover.
- Scholarship use stabilizes at current levels and then tracks overall revenue increases each year.
- Assumptions regarding wage increases, employment taxes and benefit changes are consistent with those used in the overall financial forecast model; however, some adjustments are made to match differences in recreation staff makeup.
- Front-line staffing needs can be reasonably met, allowing for full operations and expanded capacity. While staffing conditions have improved, it remains our biggest limitation on expanding capacity.

Revenue Forecast

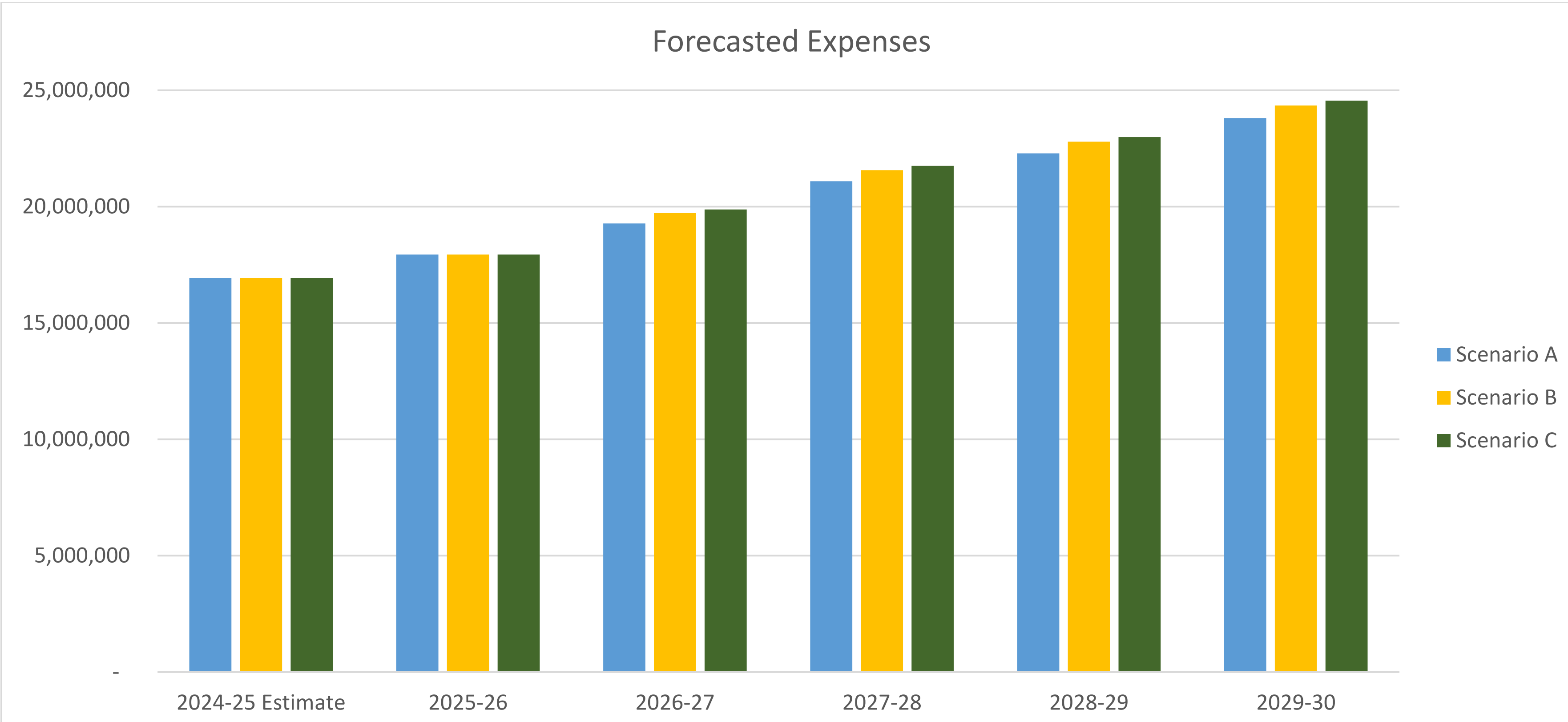
Recreation revenue has steadily increased with exception of the pandemic-affected years of 2020-2022. The large increase in revenue in FY 22-23 is due largely to the opening of Larkspur Community Center and the additional capacity it provided. Capacity was also expanded in many other programs and demand was especially strong coming out of the pandemic. Revenues are forecast to continue to increase over the next five years but at a decreasing rate as population growth slows, competition for recreation time and expenditures increases, and we begin to bump up against capacity in many facilities and programs. The forecast assumes modest overall fee increases averaging around 4% each year. The slight dip in revenue in 2026-27 is due to modifications to Juniper Swim & Fitness Center operations in FY 26-27 for the replacement of the 50-meter pool cover. This is also the same year that the new Art Station is projected to come online, which will result in additional revenues but not enough to offset the impacts of the JSFC project.



Revenue includes all revenue collected from user fees, recreation facility rental fees, and alternative funding, including grants, sponsorships and donations. This does not show scholarship funds used, which are considered negative revenue. This revenue forecast was used for all three scenarios for personnel cost increases.

Expense Forecast

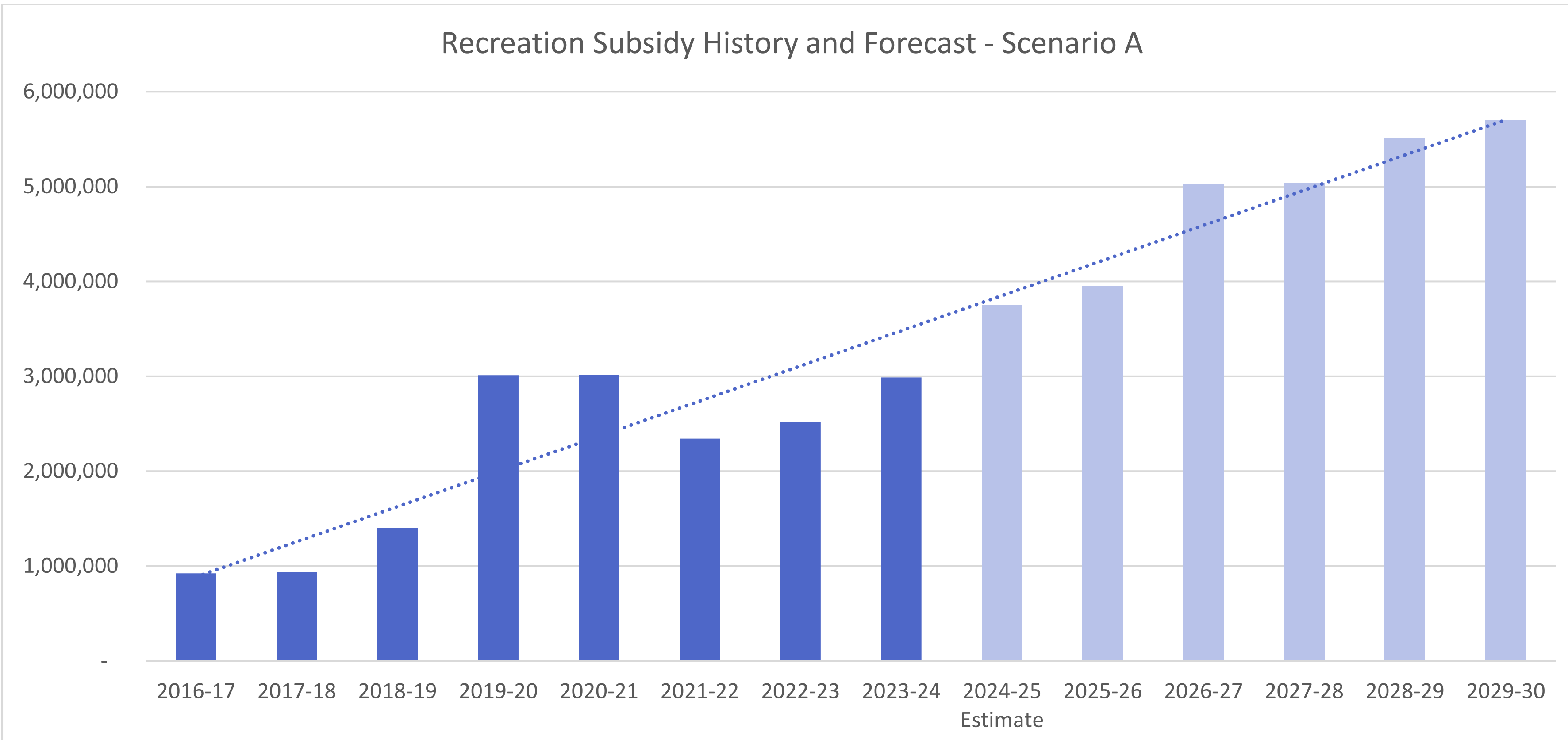
Expenses are forecast to increase at a slightly higher rate than revenue. This is the result of personnel costs increasing at a faster pace than the expected growth in participation and projected fee increases combined. While the district could consider higher fee increases, this may not have the desired effect of generating additional revenue as it would make programs and facilities less affordable and accessible to many households and increase demand for scholarships. Materials and services are expected to be covered by revenue increases.



Expenses include all personnel and material costs, including operating costs of recreation facilities. The only difference between the three scenarios is personnel costs, which are based on the same assumptions as the District Financial Forecast. There is no difference in scenarios until 2026-27 when the potential change would take effect. The annual difference between Scenario A and B is $435,000-$545,000, while the difference between Scenario A and C is $600,000-$749,000.

TAX SUBSIDY FORECAST

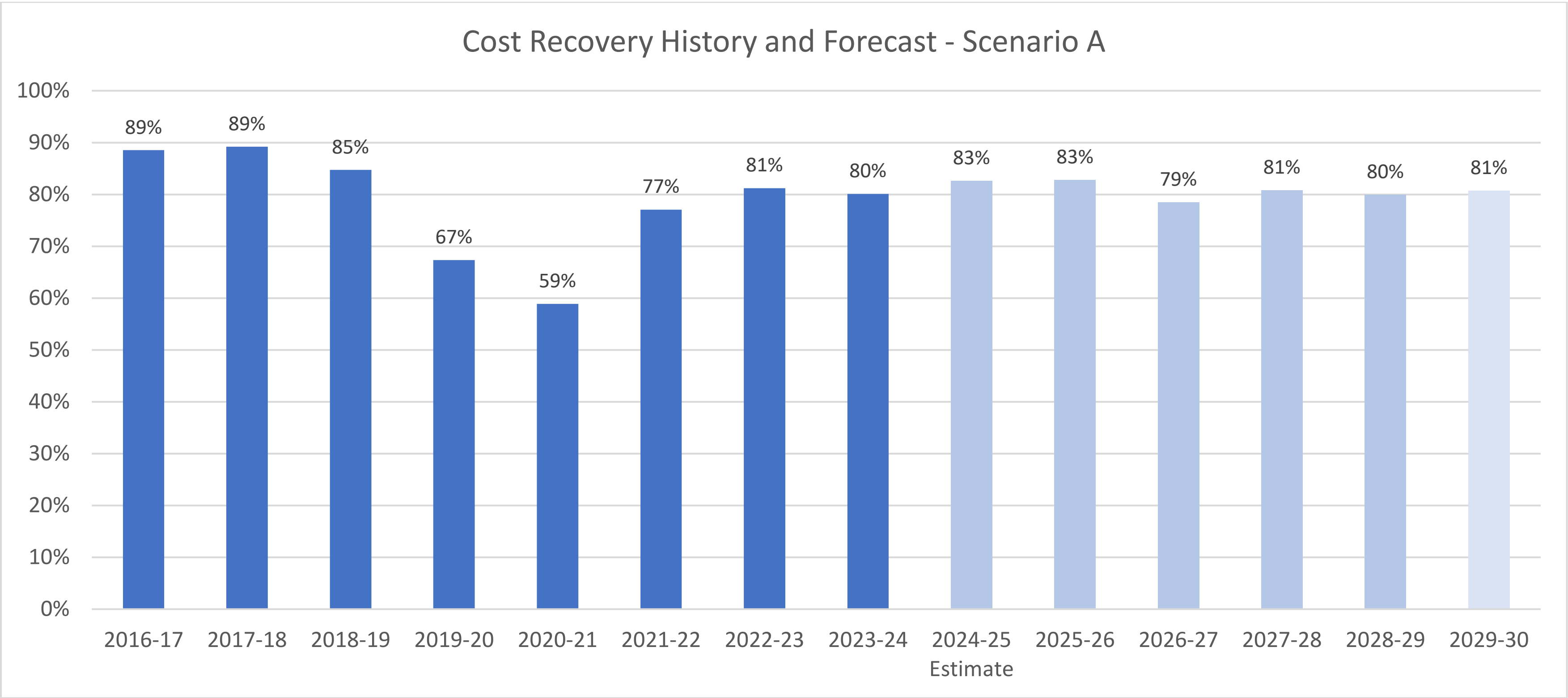
As mentioned earlier, the tax subsidy required to support recreation services, the difference between the revenues and expenses, is the most important consideration for future planning and financial sustainability. The subsidy required to support recreation services is forecast to increase as the overall program grows and expenses, particularly personnel costs, outpace revenue growth. Two other factors are also contributing to the increase in subsidy: the continued strong growth in scholarship use and a sharp increase in inclusion support services that assist people with disabilities participate in programs. These services are largely non-revenue producing and are therefore largely reliant on tax dollars. These will be discussed in more detail later.



Fiscal Years 2019-20 and 2020-21 were severely impacted by the pandemic. Taking out these years, there has been a steady increase in subsidy over the past 10 years and is forecast to increase at a slightly higher rate over the next five years due to personnel costs increasing at a greater rate than revenues. The FY 2026-27 jump is due to the expected net impact of the cover replacement and other improvements at Juniper Swim & Fitness Center (estimated at $300,000). The Art Station also is expected to come online the same year; however, the additional expenses are expected to be largely covered by new revenue. Preliminary pro forma estimates put the additional subsidy requirement at $25,000-$30,000 and no higher than $50,000.

COST RECOVERY HISTORY AND FORECAST

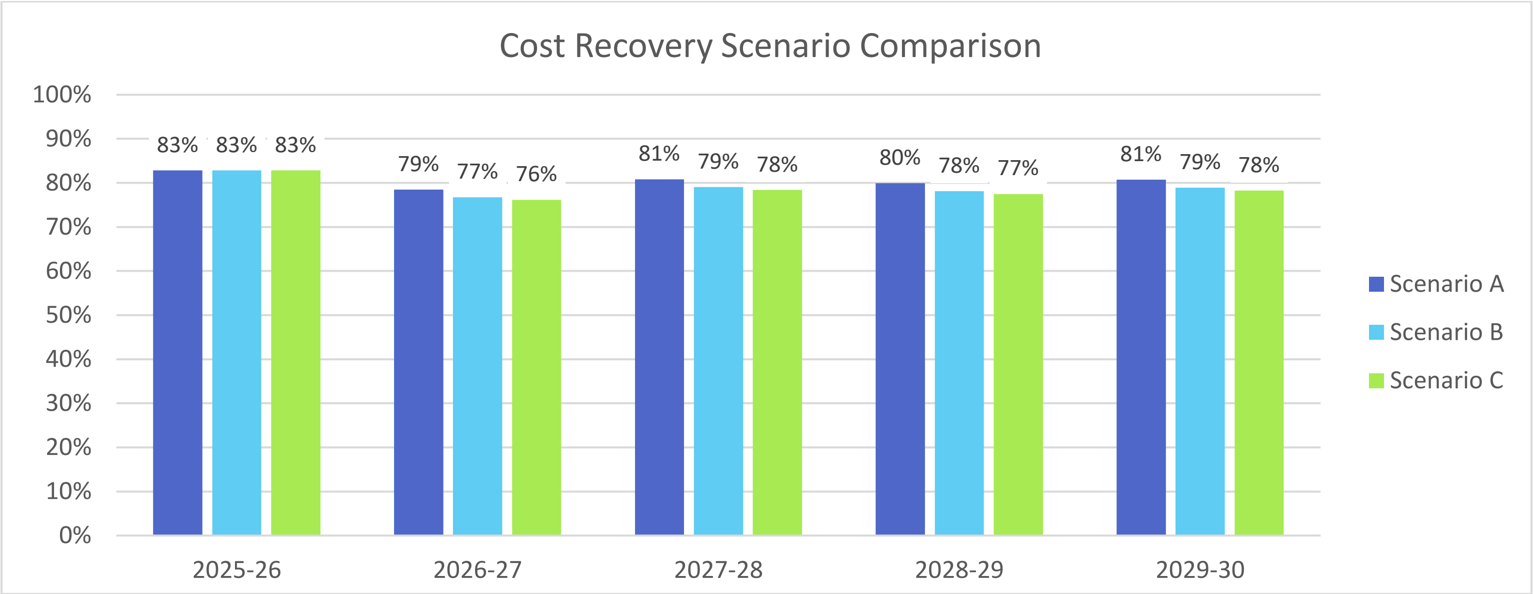
Cost recovery represents the percentage of the direct costs of providing recreation services that is paid for through fees, charges and other non-tax resources. It is also the primary method used to set user fees. As is the case with percentages, cost recovery does not always accurately reflect the dollar impact. The graph below shows cost recovery only ranging several percentage points in the forecast; however, these percentage points result in nearly $2 million over the next five years.

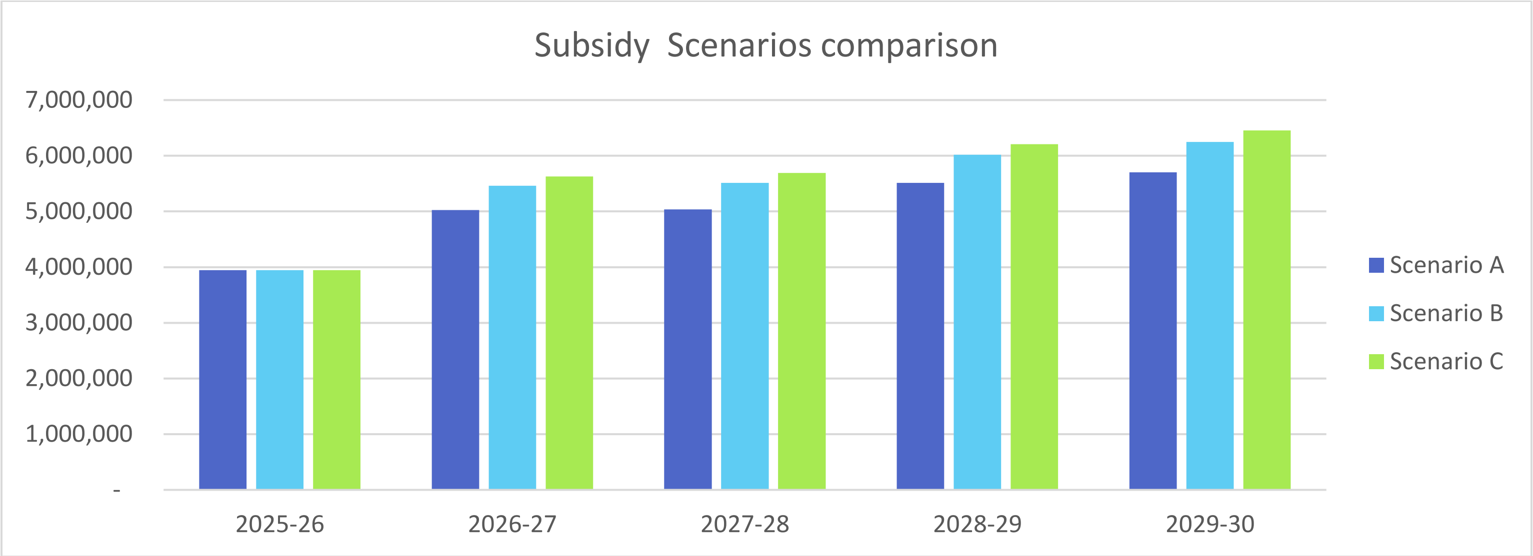


Cost recovery reached its highest level several years prior to the pandemic. At the time, staff acknowledged that these were optimal financial conditions and that the cost recovery level was not sustainable. This can be seen even before the pandemic. The pandemic severely impacted FY 19-20 and 20-21. Cost recovery has since rebounded to over 80%. There are two reasons why cost recovery has settled in lower than the peak years. One is the addition of Larkspur Community Center. This contributed to significant increases in revenue, but the cost of operating the facility exceeds the additional revenue it generates. This was expected, as it is in most recreation facilities. The other major reason contributing to lower cost recovery is ongoing dynamic of personnel costs increasing at greater pace than revenues. This began in FY 2018-2019.

SCENARIO IMPACTS

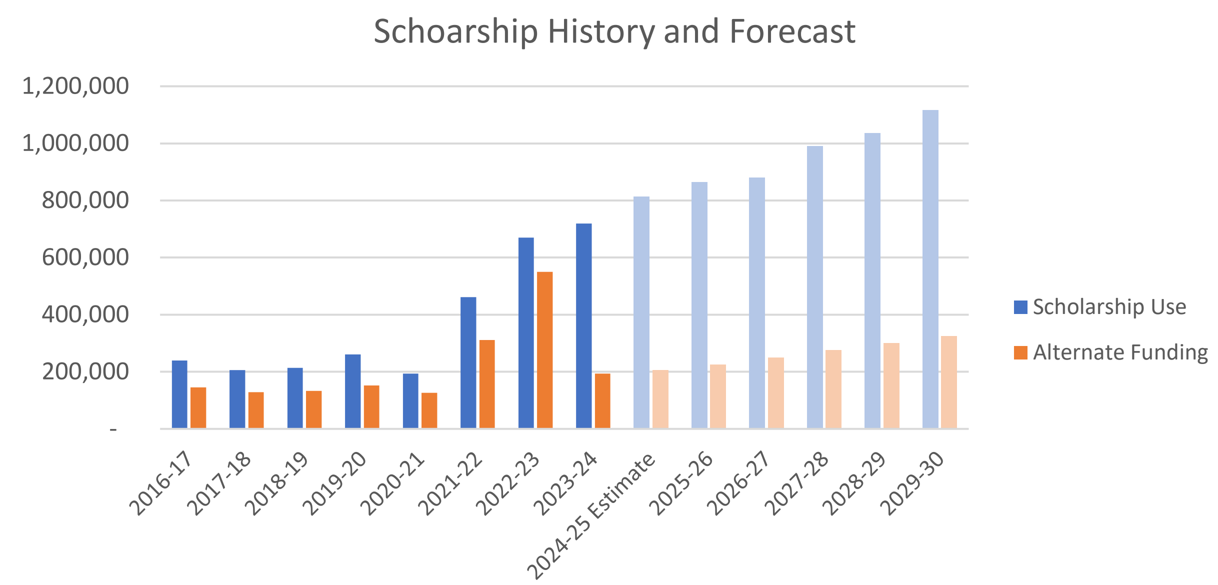
The previous graphs showed the baseline Scenario A. The following graphs show the impact of Scenarios B and C. The annual subsidy impact of Scenario B is $435,000-$545,00, and the annual impact of Scenario C is 600,000-$749,000. Cost recovery is 2% less in Scenario B and 3% less in Scenario C.





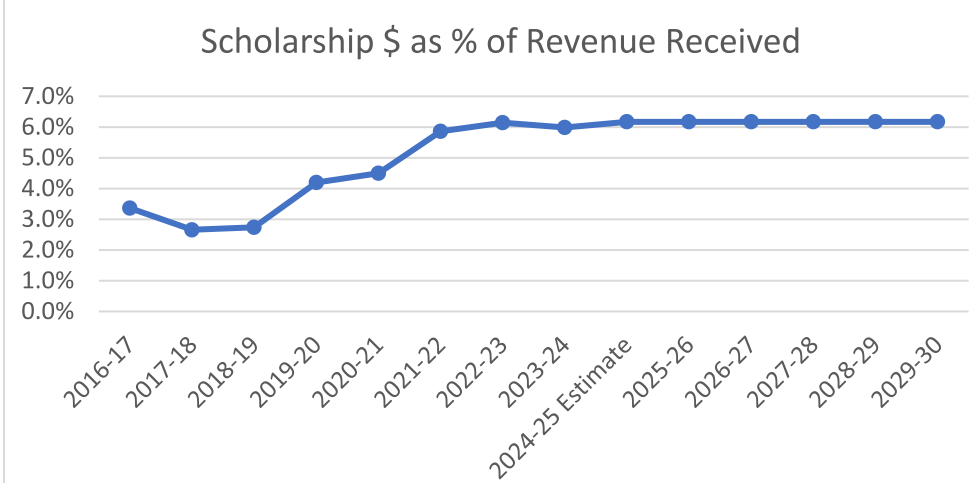
Needs-Based Assistance

Recreation scholarships are the primary way the district helps make district programs accessible to lower-income households. The district also offers targeted free and low-cost activities and programs. The use of the scholarship program has grown rapidly since the pandemic. While it has slowed some, scholarship use continues to outpace revenue and contribute to a higher subsidy requirement.



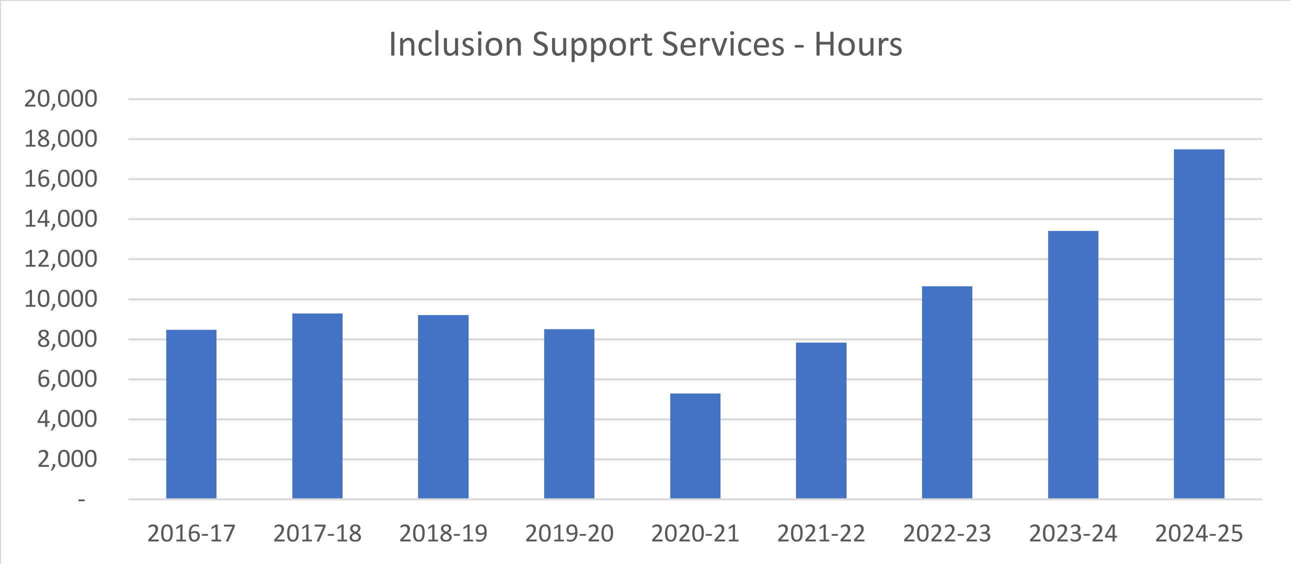
Scholarship use was relatively consistent for many years prior to the pandemic, averaging a little over $200,000. Over the last four years, scholarship use has quadrupled to an estimated $813,000 this fiscal year. During the same period, alternative funding resources have grown at a much slower pace, increasing from $150,000 to $205,000 this fiscal year. The exception was FY 21-22 and 22-23 when the district received large one-time grants related to the pandemic. The financial forecast assumes that scholarship use will grow at the same pace as revenue and that alternative funding resources will grow at a slightly higher pace.

Part of the reason for growth in scholarship use is that revenues have increased significantly over the same period. Considering scholarship use as a percentage of revenue takes this into account. Looking at it this way, scholarship use has doubled from around 3% of revenue to 6%. The financial forecast assumes that scholarship use levels off at 6% of revenue. This may be a policy that the board wants to consider as a way of helping ensure the long-term sustainability of scholarship funding.



Inclusion Support Services

Recent rapid growth in inclusion support services is another non-revenue producing service contributing to larger subsidy levels in recreation. Inclusion support services provide special assistance to people with disabilities who otherwise would not be able to participate in recreation programs, including therapeutic recreation programs, and often entail one-on-one support. Inclusion support services are difficult to predict and control as they are based on need and are largely required by ADA. Staff is working on strategies to provide inclusion services in a more efficient way.



Inclusion support hours have nearly doubled from pre-pandemic levels from an average of 8,900 hours to an estimated 17,500 hours this year. The cost of this additional support is between $250,000-$275,000 annually. Some of this cost is offset by reimbursements through State Medicaid K-Plan funds. The forecast assumes that inclusion support hours will level off at current year levels and that K-Plan funding continues at least at existing levels.

Conclusion

Overall, the recreation department's financial outlook is relatively stable as revenues and expenses continue to be aligned and cost recovery remains around 80%. The forecast is focused on taking care of what we have in terms of programs and services, with the only major addition being the Art Station, which is budget neutral. However, the tax subsidy required to support recreation services is projected to grow significantly over the 5-years ($1.9 million to $2.7 million, depending on the scenario) due to limited growth potential and increasing wages and benefits. The impacts increase with each scenario over the base scenario as fee increases are unlikely to keep pace with personnel increases. The scholarship program and inclusion support services are also putting stress on the budget and will likely require additional tax subsidy if not controlled. The Recreation Department has a long history of outperforming both budgets and forecasts, and with the moderate to conservative approach of this forecast, it is reasonable to assume that actual financial performance will be better than what the forecast shows. While the District Financial Forecast shows this level of recreation tax subsidy is fundable over the next five years, it is unlikely that the subsidy can continue to grow at this rate without impacting overall district operations. It will be important to continue to monitor the subsidy closely and make decisions that ensure the financial sustainability of the recreation department and district.

Bend Park and Recreation District
Five-Year Capital Improvement Plan (CIP)
for Fiscal Years Ending 2026-2030

							FY2026-30 Funding Allocation by Source									
Project Type	Project Stage	Approved Property Tax Revenue	Approved SDC Funds	Approved Alternative Funds	Approved Funding Allocation	Prior and Current Fiscal Years	Property Tax Revenue	SDC	Alternative	Alt. Type	Total FY 26-30	FY 25-26 Total	FY 26-27 Total	FY 27-28 Total	FY 28-29 Total	FY 29-30 Total
Community Parks																
Pine Nursery Park Ph. 4 (Pending Partnership)	Design Development		78,504		78,504	27,784	-	50,720	-		50,720	50,720	-	-	-	-
Pine Nursery Park Ph. 5	Construction Documents	350,000	8,000,000	400,000	8,750,000	398,764	-	7,951,236	400,000	2	8,351,236	6,940,236	1,411,000	-	-	-
Sawyer Park	Construction Documents	904,287	-	2,048,326	2,952,613	321,085	1,165,712	-	1,465,816	1	2,631,528	2,017,528	614,000	-	-	-
Total Community Parks		**1,254,287**	**8,078,504**	**2,448,326**	**11,781,117**	**747,633**	**1,165,712**	**8,001,956**	**1,865,816**		**11,033,484**	**9,008,484**	**2,025,000**	**-**	**-**	**-**
Neighborhood Parks																
Land Acquisitions	Order of Magnitude		11,600,000		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	Bid Award		1,767,510		1,767,510	1,033,279	-	734,231	-		734,231	734,231	-	-	-	-
Park Search Area 5 (Talline)	Order of Magnitude		1,517,500		1,517,500	-	-	1,517,500	-		1,517,500	-	250,000	1,267,500	-	-
Park Search Area 11 (Discovery West Park/TH)	Order of Magnitude		2,923,050		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)	Order of Magnitude		2,176,400		2,176,400	-	-	2,176,400	-		2,176,400	850,000	400,000	800,000	126,400	-
Park Search Area 24 (Stevens Ranch)	Order of Magnitude		1,684,178		1,684,178	-	-	1,684,178	-		1,684,178	-	-	300,000	1,384,178	-
Park Search Area 27 (Constellation Crest)	Order of Magnitude		2,888,000		2,888,000	-	-	2,888,000	-		2,888,000	880,000	750,000	1,258,000	-	-
Park Search Area 28 (Easton) (SE Area Plan)	Order of Magnitude		2,128,763		2,128,763	266,000	-	1,862,763	-		1,862,763	662,763	1,000,000	200,000	-	-
Park Search Area 18 (Coulter Property)	Order of Magnitude		1,750,000		1,750,000	300,000	-	1,450,000	-		1,450,000	200,000	950,000	300,000	-	-
Park Search Area 15	Order of Magnitude		2,400,000		2,400,000	-	-	2,400,000	-		2,400,000	-	2,400,000	-	-	-
Park Search Area 20	Order of Magnitude		1,500,000		1,500,000	300,000	-	1,200,000	-		1,200,000	50,000	550,000	600,000	-	-
Park Search Area 26	Order of Magnitude		1,725,000		1,725,000	-	-	1,725,000	-		1,725,000	475,000	-	-	600,000	650,000
Park Search Area 6	Order of Magnitude		3,000,000		3,000,000	-	-	3,000,000	-		3,000,000	-	-	-	3,000,000	-
Park Search Area 32	Order of Magnitude		100,000		100,000	-	-	100,000	-		100,000	-	-	100,000	-	-
Total Neighborhood Parks		**-**	**37,160,401**	**-**	**37,160,401**	**2,728,805**	**-**	**34,431,596**	**-**		**34,431,596**	**5,751,994**	**8,750,000**	**9,175,500**	**8,104,102**	**2,650,000**
Trails																
DRT Galveston to Millers Landing	Design Development		656,000	144,000	800,000	443,275	-	292,515	64,210	5	356,725	356,725	-	-	-	-
Riley Ranch Nature Reserve Bridge	Design Development		984,000	216,000	1,200,000	-	-	984,000	216,000	5	1,200,000	-	-	-	1,200,000	-
DRT Putnam to Riley Ranch	Order of Magnitude		127,100	27,900	155,000	440	-	126,744	27,816	5	154,560	-	-	154,560	-	-
DRT Kirkaldy to Putnam	Order of Magnitude		51,742	11,358	63,100	3,662	-	48,739	10,699	5	59,438	-	59,438	-	-	-
Deschutes River Trail North Trailhead	Order of Magnitude		262,400	57,600	320,000	-	-	262,400	57,600	5	320,000	-	20,000	300,000	-	-
Miscellaneous Trails	Order of Magnitude		1,189,000	261,000	1,450,000	-	-	1,189,000	261,000	5	1,450,000	300,000	300,000	250,000	300,000	300,000
North Unit Irrigation Canal Trail (NUID)	Design Development		420,007	92,200	512,207	301,191	-	173,033	37,983	5	211,016	211,016	-	-	-	-
COHCT Reed Mkt To Hansen Park	Order of Magnitude		348,675	76,500	425,175	-	-	348,644	76,531	5	425,175	-	275,175	150,000	-	-
Big Sky Trail (Hwy 20 Undercrossing 5)	Order of Magnitude		41,000	9,000	50,000	-	-	41,000	9,000	5	50,000	50,000	-	-	-	-
Total Trails		**-**	**4,079,924**	**895,558**	**4,975,482**	**748,568**	**-**	**3,466,075**	**760,839**		**4,226,914**	**917,741**	**654,613**	**854,560**	**1,500,000**	**300,000**
Regional / Community Wide																
Art Station	Construction Documents	700,000	3,600,000		4,300,000	241,235	700,000	3,358,765	-		4,058,765	3,058,765	1,000,000	-	-	-
Millers Landing Access Project	Bid Award			1,325,000	1,325,000	1,315,000	-	-	10,000	1,2,5	10,000	10,000	-	-	-	-
Columbia Park Access Project	Construction Documents			788,820	788,820	100,000	-	-	688,820	1,2,5	688,820	658,820	30,000	-	-	-
Natural Area Land Acquisition	Order of Magnitude	850,000		850,000	1,700,000	-	850,000	-	850,000	1,2	1,700,000	1,700,000	-	-	-	-
Bend Whitewater Park Maint. & McKay River Access Project	Conceptual Design	1,300,000		-	1,300,000	199,213	1,100,787	-	-		1,100,787	787,000	313,787	-	-	-
SE Bend Regional Park Site (Rose Property)	Order of Magnitude	4,250,000		400,000	4,650,000	4,189,847	60,153	-	400,000	5	460,153	60,153	400,000	-	-	-
Total Community Wide		**7,100,000**	**3,600,000**	**3,363,820**	**14,063,820**	**6,045,295**	**2,710,940**	**3,358,765**	**1,948,820**		**8,018,525**	**6,274,738**	**1,743,787**	**-**	**-**	**-**
Asset Management Projects																
Accessibility Improvements	Order of Magnitude	500,000			625,000	-	625,000	-	-		625,000	125,000	125,000	125,000	125,000	125,000
Asset Management Projects ($5,000-$50,000)	Order of Magnitude	920,000			920,000	-	920,000	-	-		920,000	220,000	200,000	200,000	150,000	150,000
Park Services Complex	Construction Documents	11,150,000			11,150,000	132,179	11,017,821	-	-		11,017,821	10,517,821	500,000	-	-	-
Skyline Field Renovation	Order of Magnitude	625,000			625,000	279,135	345,865	-	-		345,865	345,865	-	-	-	-
Hollinshead Park ADA & Preferred Design	Construction Documents	750,000	250,000	100,000	1,100,000	228,925	771,075	-	100,000	4	871,075	60,000	-	811,075	-	-
Ponderosa Park (North)	Order of Magnitude	850,000	350,000		1,200,000	-	850,000	350,000	-		1,200,000	-	-	-	-	1,200,000
Pavilion Flooring Replacement	Conceptual Design	202,000			202,000	52,000	150,000	-	-		150,000	-	150,000	-	-	-
JSFC Outdoor Roof Cover Replacement	Order of Magnitude	6,000,000		-	6,000,000	100,000	5,900,000	-			5,900,000	600,000	5,300,000	-	-	-
JSFC Roof Replacement (South/East Wing)	Order of Magnitude	170,000			170,000	-	170,000	-			170,000	-	170,000	-	-	-
JSFC Outdoor Pools Wall Liner Replacement	Order of Magnitude	500,000			500,000	-	500,000	-			500,000	-	500,000	-	-	-
JSFC Main Chiller Unit Replacement	Order of Magnitude	300,000			300,000	-	300,000	-			300,000	-	300,000	-	-	-
JSFC North Locker Room Remodel	Order of Magnitude	700,000			700,000		700,000	-			700,000	-	700,000	-	-	-
Sylvan Playground Replacement	Conceptual Design	600,000			600,000	150,000	450,000	-	-		450,000	450,000	-	-	-	-
Providence Park Renovation	Order of Magnitude	1,200,000			1,200,000	-	1,200,000	-	-		1,200,000	-	-	400,000	800,000	-
Larkspur Park Playground Renovation	Order of Magnitude	500,000			500,000	-	500,000	-	-		500,000	500,000	-	-	-	-
Stover Park Renovation	Order of Magnitude	500,000			500,000	-	500,000	-	-		500,000	-	-	500,000	-	-
Boys and Girls Club (Wall Renovation)	Order of Magnitude	665,000			665,000	65,000	600,000	-	-		600,000	600,000	-	-	-	-
Columbia Park Playground Surfacing Replacement	Order of Magnitude	75,000			75,000	-	75,000	-	-		75,000	-	-	75,000	-	-
B&G Club Roof Replacement	Order of Magnitude	90,000			90,000	-	90,000	-	-		90,000	-	-	-	-	90,000
Total Asset Management Projects		**26,297,000**	**600,000**	**100,000**	**27,122,000**	**1,007,239**	**25,664,761**	**350,000**	**100,000**		**26,114,761**	**13,418,686**	**7,945,000**	**2,111,075**	**1,075,000**	**1,565,000**
Total CIP Funding Allocations		**34,651,287**	**53,518,829**	**6,807,704**	**95,102,820**	**11,277,540**	**29,541,413**	**49,608,392**	**4,675,475**		**83,825,280**	**35,371,643**	**21,118,400**	**12,141,135**	**10,679,102**	**4,515,000**

1 - Grant Funding
2 - Contributions, Collaborations, Fundraising
3 - Debt Financing
4 - Facility Rental Special Revenue Fund
5 - Reimbursement SDCs

LONG-RANGE PLANNING AND BOARD PRIORITIES

Board Workshop 1.31.2025

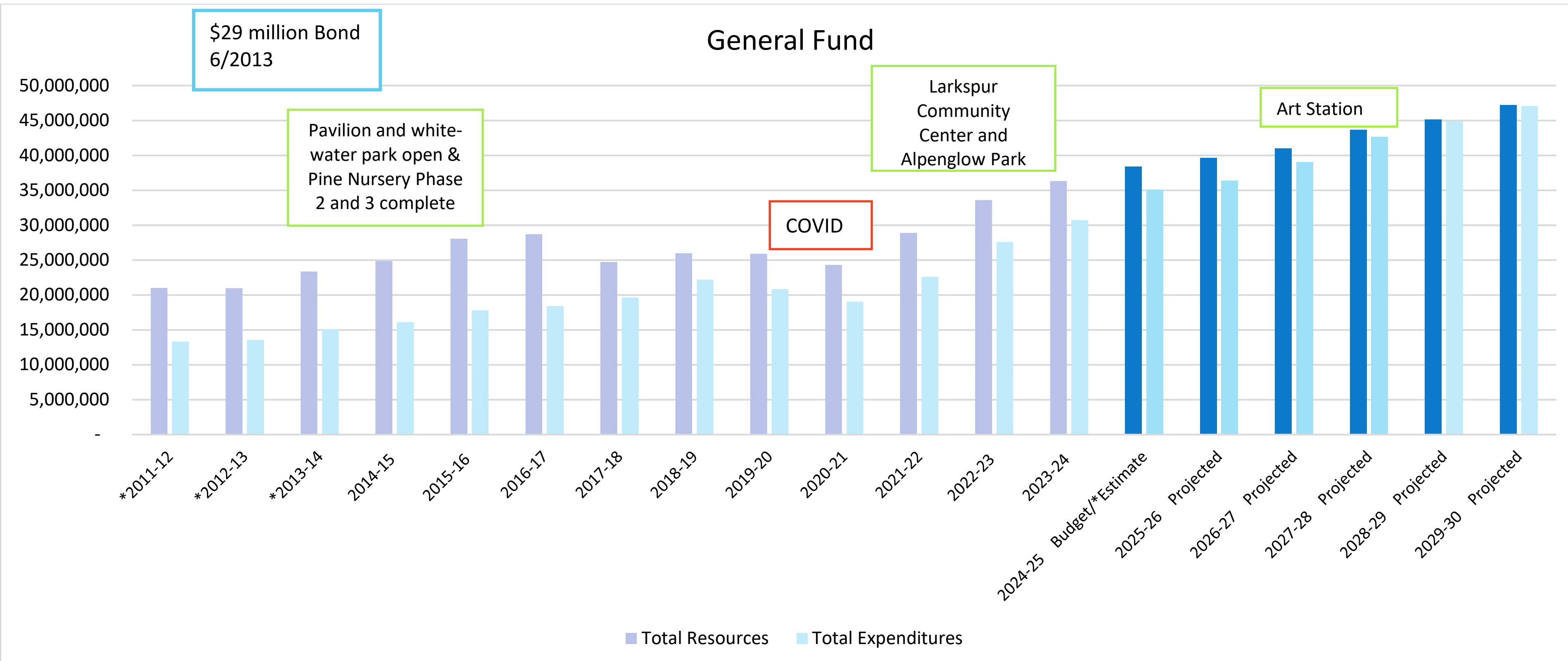
Michelle Healy
Executive Director

Kristin Toney
Administrative Services Director

Long Range Planning

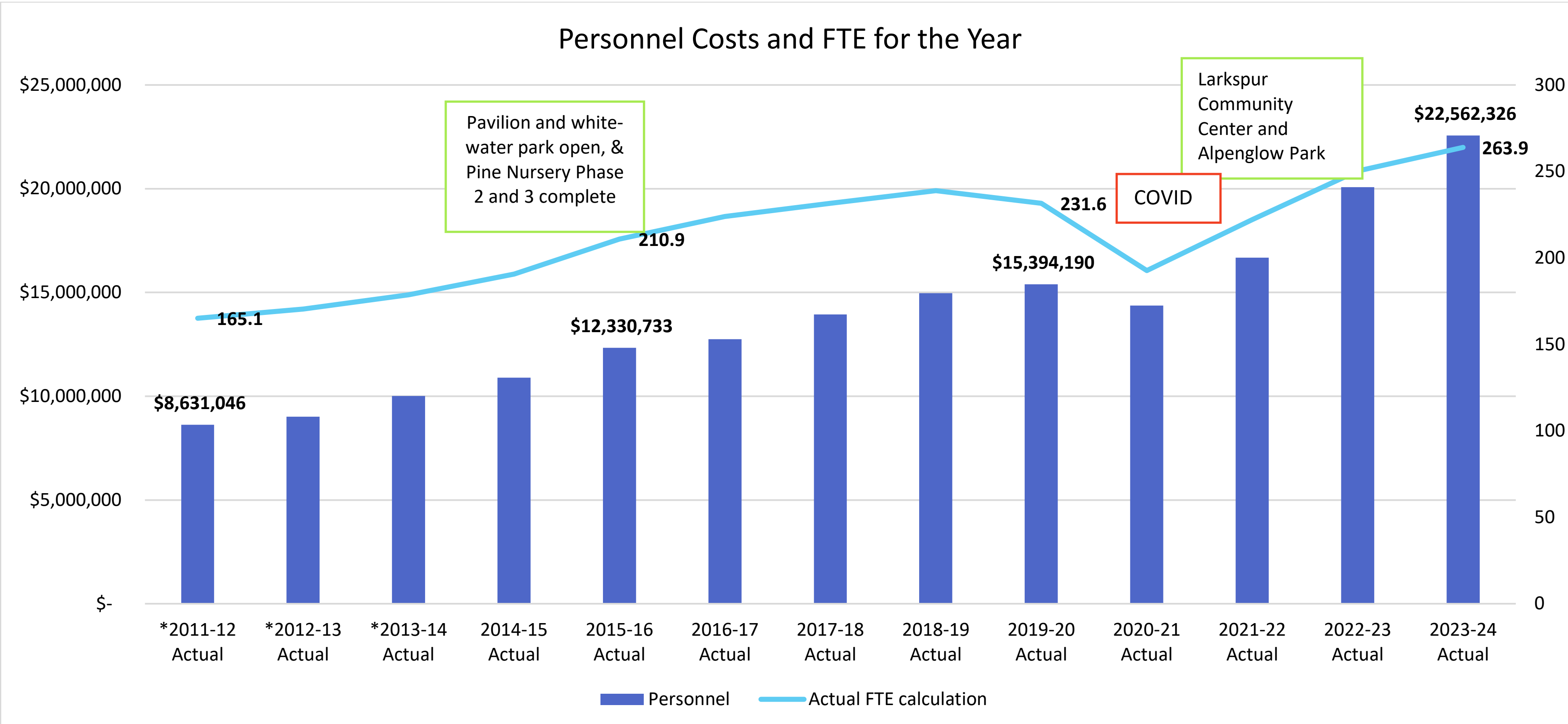
Our philosophy of "Play for Life" is about living in the moment, but it is also about creating a legacy for the future. John F. Kennedy once said, "Change is the law of life. And those who look only to the past or present are certain to miss the future." As the district grows and changes, along with outside economic factors it's best to be proactive and strategic in its financial planning. Therefore, to improve decision making, the district is initiating more process to develop a long-range financial model and plan that will help it be more resilient and sustainable. A strategic plan goal regarding being good stewards of fiscal resources is to "use financial modeling and other planning tools to holistically evaluate, plan and forecast necessary expenditures for system expansion, operations and maintenance." This long-range plan, in conjunction with the other information presented at the board workshop, is an action to accomplish this strategy. As resources become more limited and demands for continuing quality district services remain constant or increasing, the district may take steps to improve its budget policy framework, process and level of service.

The district has seen growth in many forms over the past two decades. This growth along with current economic factors is having a greater impact than what may have been for shadowed. To maintain our levels of service, we will need to address growth and financial constraints. As we look forward, we use lessons learned and the data from our past to help us plan the next decade. Below is the reflection of the growth we've experienced and what we forecast next.



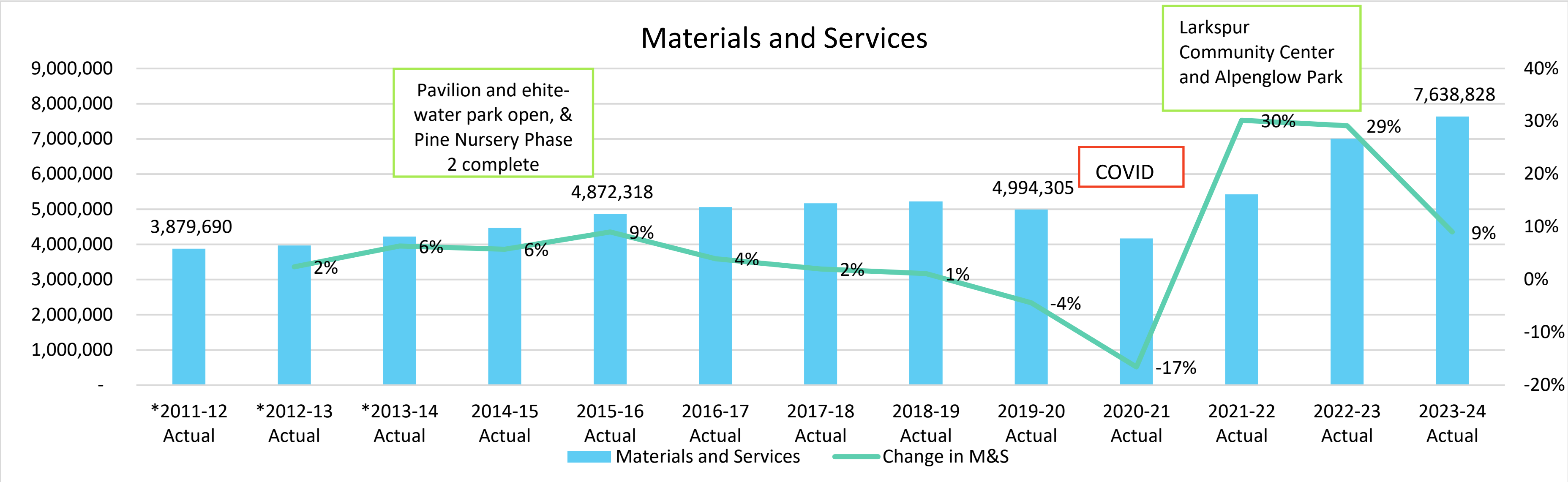
Maintaining what we have

Our district's goal has been to maintain what we have for almost as long as its formation. This goal is presenting more challenges the faster the district grows and with changing service expectations. Our team is the district's greatest asset in accomplishing this goal, because they maintain our assets and facilities at our high level of service, operate our facilities, and provide the variety of programs and support functions. The largest portion of our operating budget is personnel, and we have seen increases in our level of staffing and challenges with funding personnel costs.



The last compensation study and Oregon Pay Equity Analysis for the district was completed in 2020, and we intend to conduct them soon in alignment with best practice of every three to five years. . The district will contract with a consultant for this work. The compensation study will tell us how competitive the district's pay practices and benefits are when compared to peer organizations, while the Oregon Pay Equity Analysis will ensure the district's pay practices comply with the Oregon Equal Pay Act In the financial forecast we provided three scenarios anticipating the results of these studies.

With growth and inflation, we have seen our other costs increase as well. While bringing on new parks and facilities, material and service costs have increased. Addressing vandalism and safety concerns has increased regular maintenance, contract services and other budgets as well.



Park Services 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, district-wide fleet and equipment services, and support for special events and recreation programs. In the last fiscal year, the materials and services were more than $2.5 million and $6 million in personnel, totaling $8.5 million. The department **is** collecting their data to better understand the time, effort and cost of maintain our parks, natural areas, trails and facilities. ***Since this is a work in progress, the numbers are lower than actuals, but as we move forward we will have more accurate information. For planning purposes, the numbers below illustrate the average cost of maintaining what we have with the data we have*** currently

Natural Areas

- 122 acres
- With new fire mitigation requirements costs will increase dramatically

Community Parks

- 25 developed parks for 643 acres
- 3 undeveloped sites for 35 acres
- Drake Park in Calendar 2024 direct costs were $83k
- For Alpen Glow in Calendar 2024 direct costs were $70k

Regional Parks

- 2 developed parks for 1,140 acres
- 2 undeveloped sites for 685 acres
- Shevlin Park in Calendar 2024 direct costs were $32k

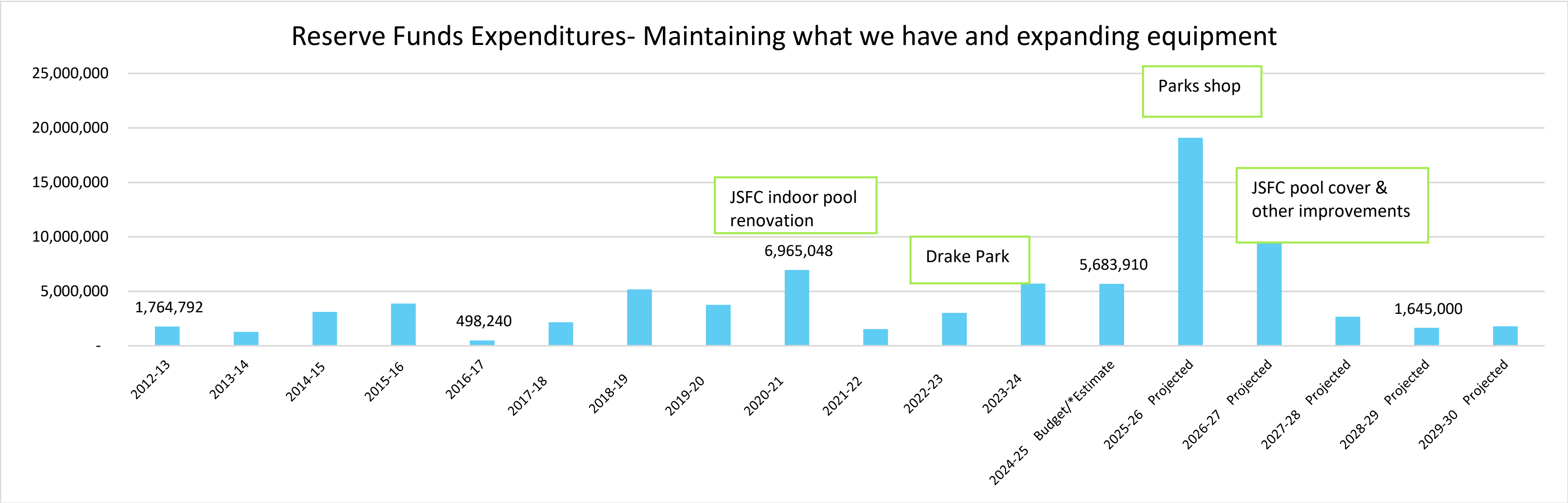
Neighborhood Parks

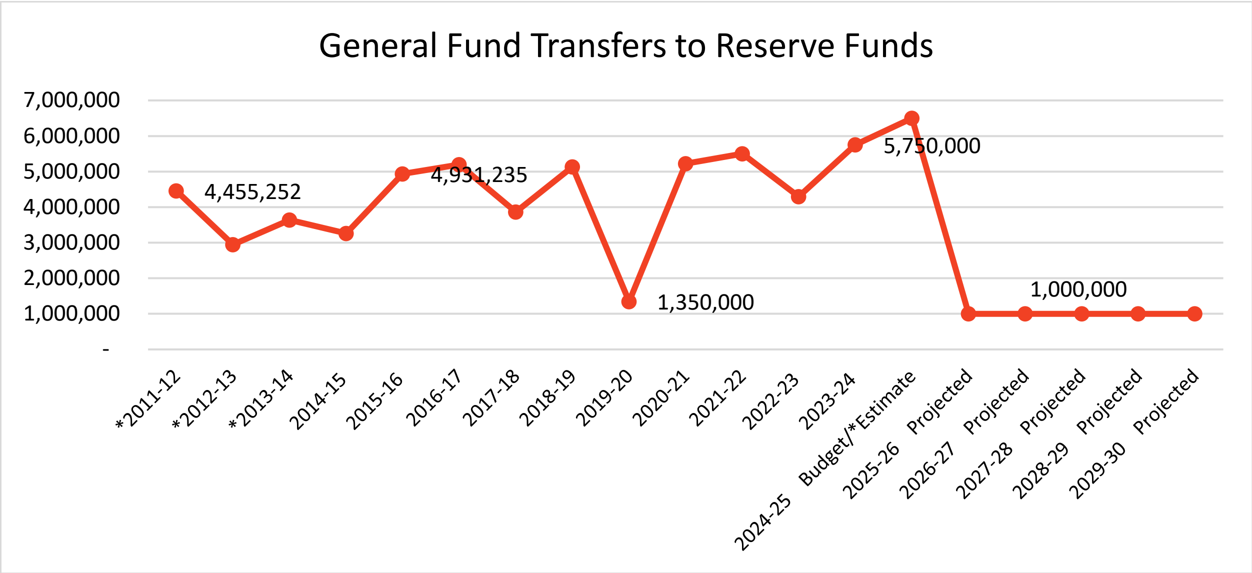
- 39 developed parks for 155 acres
- 5 undeveloped park sites totaling 18 acres
- Foxborough Park in Calendar 2024 direct costs were $18k

Sports Fields

- 15 soccer fields, 2 Baseball fields, 15 softball fields
- Pacific Crest Athletic Field in calendar 2024 direct costs were $30k

Purchasing new equipment and replacing equipment is funded with the Equipment Reserve Fund. The Facility Reserve funds our non-capacity increasing projects and maintenance projects. These projects usually don't qualify for SDCs and rarely receive grant funding, so they are funded by property taxes. Below shows what we have spent from the reserve funds in the past and what we forecast for the future. The bottom graph shows the amount of property taxes that was and can be transferred for the purposes described.





The district has aging assets that need to be addressed, and that would be paid for through the Facility Reserve fund either by property taxes or other methods such as debt.

PARKS SHOP COMPLEX (FUNDED)- The existing Park Services facilities were built in the 1980s on a sloped site and sized to accommodate support services of the district at that time. The facility is now inadequate to meet today's needs for space, safety and efficient operations with the system growth. The district has executed a purchase and sale agreement (PSA) with the City of Bend for the purchase of their existing utility shop on Boyd Acres Rd. This PSA allows the City to occupy the facility until their new facility is completed. The district has been saving for the purchase and remodel of the property for several years and we have the funding in the Facility Reserve fund.

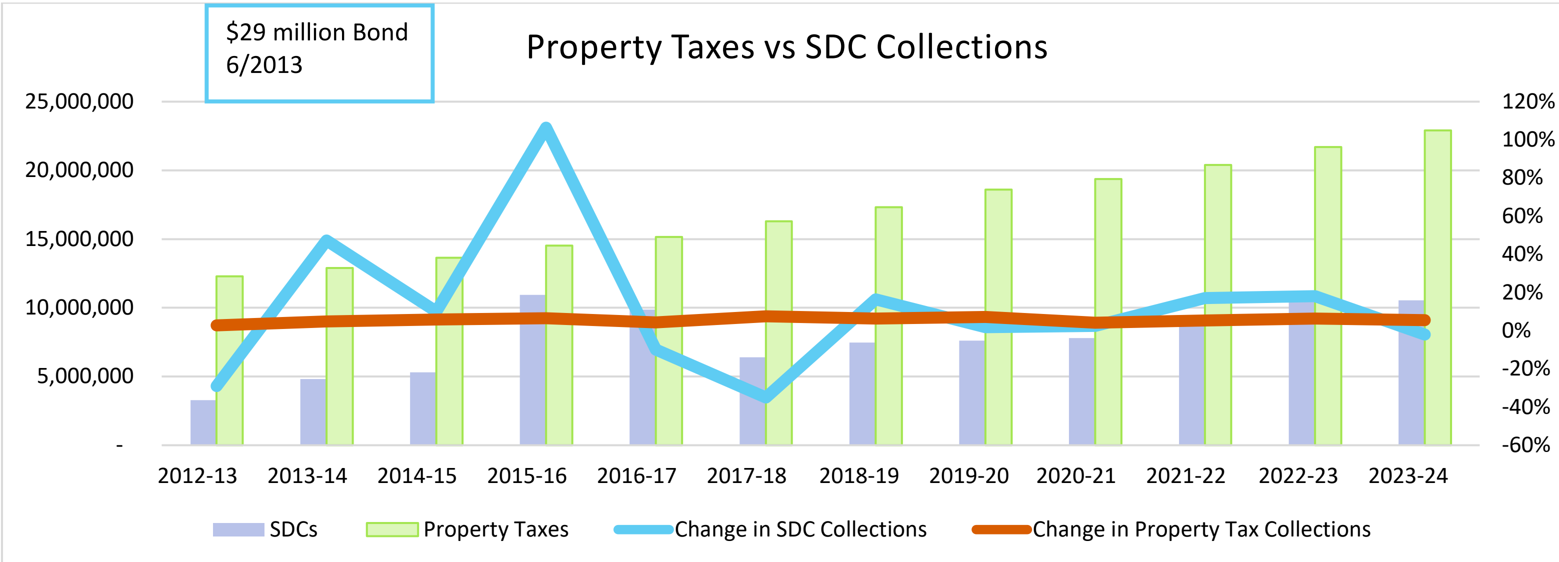
JUNIPER SWIM AND FITNESS CENTER POOL COVER (PROPOSED: FUNDED WITH LOAN)- The framed-fabric structure covering the 50-meter pool at Juniper Swim & Fitness Center was first installed in 1997 over an outdoor 40-yard pool. The structure was re-used and expanded in 2006 as part of the JSFC renovation and expansion project that included a new 50-meter pool. The fabric has an 8 to 10-year lifecycle with our climate and use and is on the fourth generation of fabric. Due the age of the structure, increasing problems with the installing and removing panels, and manufacturer operational disruptions, the district decided to consider alternate options before investing considerable funds in the current structure. The structure replacement with a preferred design, along with remodeling of locker rooms and other smaller repair projects are estimated to be over $6 million in total.

OLD BEND GYM (NOT FUNDED)- This asset is a historical building that is likely to require considerable investment in future years. With the current lease to the Boys and Girls Club, there is limited revenue potential to help offset these expenses. We will continue to work with the Boys & Girls Club to determine their capacity to partner on the costs to maintain this asset.

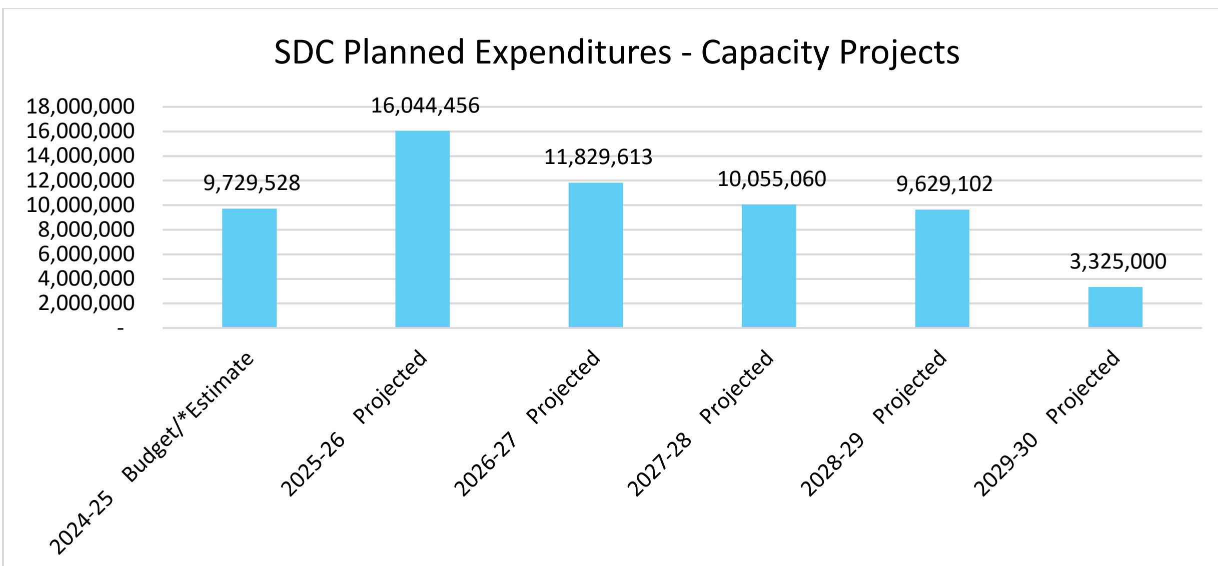
BEND WHITEWATER PARK (NOT FUNDED)- The Bend Whitewater Park was constructed in 2014/2015 to replace the Colorado Avenue dam that presented a barrier to fish passage and a safety hazard to river users. In addition to recreation, the whitewater park serves an important role in providing habitat, fish passage and protection of endangered species. This non-revenue generating asset is enjoyed by the community and its visitors with more than 250,000 floaters counted in 2024. This asset requires two full-time staff members and has an additional cost to maintain and support its use. It has been a decade since the original construction, and BPRD staff have identified ongoing issues related to pneumatic gate function, bank erosion, channel scour, river hazards and recreational experience. BPRD contracted with an engineering firm to perform condition assessment services and to develop a report of the condition assessment findings and recommendations. Repairing this asset can range from $7 million to $14 million, and could need additional investment on a reoccurring basis.

SMART GROWTH

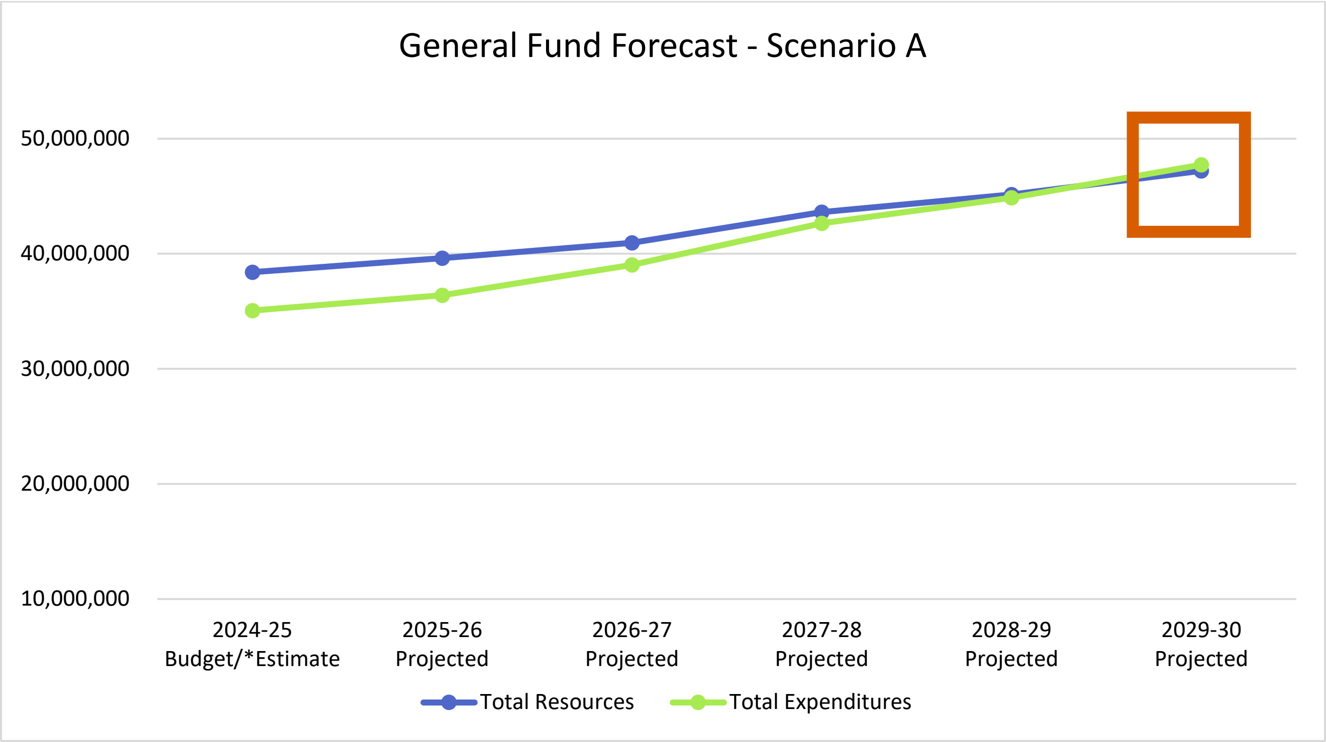
Sustainable growth is key for the district to be able to maintain added assets while maintaining level of service. Growth does not always "pay for itself" and SDC dollars do not translate directly to the tax base gains.



We are projecting to spend another $60 million on projects to serve population growth adding to what we need to maintain. Below is the planned additions to the land, park and trail system to support the levels of service targets in the comprehensive plan.



Our property tax levy does not leave room for operating and/or maintaining an additional recreation center, developing the Rose property, and buying land beyond our service level in the next 10 years. The current bond tax levy will end in 2033, and if the district chooses to pursue another bond, voter approval for development would not provide for the needed operational costs without an additional levy or reductions s to other services



CONCLUSION

Planning for the future of the district is one of the most important things we can do to assure that the resources we are entrusted to manage are of maximum benefit to our community and visitors. 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. We plan to reach for our strategic goals by developing and using data and best practices to increase work efficiency, and use benchmarks to track progress over time. These efforts improve our financial modeling and responsibility as fiscal stewards.

PRIORITIES FOR DISCUSSION

Our biggest priority is to be good stewards of the district resources and responsibilities. As resources become more limited and demands for continuing quality district services remain constant or increasing, the district might need to take steps to enhance its budget policy framework, process and levels of service. The staff needs the board's input on the information presented throughout the workshop and feedback on priorities for the budget development next steps.

ASSETS

Team-Our team is the district's greatest asset for taking care of what we have and providing facilities, programs and services for the community to enjoy. A strategic plan goal is to "Maintain quality, clean and safe parks, trails and facilities." We have seen large growth in our system accompanied by large increases in personnel costs resulting in less budget flexibility moving forward.

Materials & Services -Maintenance not only includes people but costs, such as utilities, fuel, program supplies, tools, and other materials. Maintaining our assets helps defer larger repairs, provides the level service targets, and aids in safety. We have some aging assets that will required investment and not all have a funding sources designated.

SMART GROWTH- Holistic and sustainable expansion that is fiscally viable and operationally sustainable is key to ensure we can maintain our existing and planned service levels with available funding. Larger new projects that do not already have a funding sources in our CIP, such as building new recreation centers, will likely require a levy, waiting additional years for the tax base to increase enough or a major shift in district priorities.

EVOLVING COMMUNITY CONDITIONS

SAFETY- Safety across the district continues to be a focus area. We are seeing increased vandalism and more frequent and severe behavior challenges in parks and facilities. A review conducted by an outside consulting firm regarding safety at r our facilities guided our safety and security investments in FY2023-24 year at Juniper Swim and Fitness Center and this year we are making safety enhancements at Larkspur Community Center and The Pavilion., We plan to continue with safety enhancements s into the future. Continued investment in safety and security is needed along with development of parks planned in the CIP. Additional parks increase the need for park steward staff and increase in contracted security.

SERVICE EXPECTATIONS – The district reaches out to the community in many surveys and outreach efforts and a common theme is continuing desire to maintain the current high level of service while adding new amenities. The community is evolving with its demographic growth, and we have set the goal to "Support the recreational needs of an evolving community through programming, parks, trails and facilities" in our strategic plan. This goal along with maintaining level of service will require some shifting of priorities with limited funds to ensure we can meet the expectation in an efficient way to have the broadest effect.

NEEDS-BASED ASSISTANCE AND INCLUSION SUPPORT – The use of the recreation scholarship program has continued to increase at a rapid pace the last two years after experiencing exponential growth coming out of the pandemic. This is a testament to staff's efforts to eliminate barriers to participation as most indicators of financial distress have decreased during this same period. However, the funding requirements s have put a strain on the district general fund as alternative funding resources have not come close to matching this increased demand. Decisions need to made on what level of general fund expenditures can go to supporting the program while continuing to pursue alternative funding sources. The financial forecast shows scholarship funding as a consistent percentage of revenue based on the current level of use. What that percentage should be or if there is another metric to consider is something that staff is looking for board guidance and direction on. policy. Another changing condition that is impacting the budget is the rapidly growing demand for inclusion support in recreation programs. This has resulting in a doubling of direct inclusion support hours provided since pre-pandemic levels and a budget impact of nearly $300,000. There are limited strategies for the district to employ to control this expense due to ADA requirements and our own mission and values; however, we will need to explore ways of providing needed support in more sustainable way.

CLIMATE- The impacts of climate change are already being felt by many communities across the state and the nation. 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 developing a scope for a district climate plan for the district, as well as planning for the impact on recreation programs and facilities.

FY2025-2026 BUDGET PLANNING

We are recommending the following actions to do and fund this next fiscal year:

- Conducting a compensation and pay equity study
- Starting a climate plan study
- Reviewing scholarship program funding
- Moving forward with a Juniper Swim and Fitness Center pool cover and other projects to be funded with a loan
- Financial feasibility planning for indoor recreation facility needs
- Further exploring of sequencing and project feasibility for larger capital projects

FEEDBACK QUESTIONS:

What is your overall take-away from the conversation today, looking at the different scenarios and future outlooks?

Is this long-range view and information helpful, and what interval would you like to be updated and involved in setting these priorities?

What are your thoughts about the high-level philosophy for wages and benefits for staff and compensation?

What are your thoughts around these budget priorities?

Are we missing priorities from your perspective?

What else should we be considering?