

## **BUDGET/FACILITIES COMMITTEE MEETING NOTES**

Wednesday, November 2, 2022; 3PM

Depot Board Room

Attended: Commissioner Dawn Morgan, Commissioner Vicki Dawson, Commissioner Joe Deutsch, Commissioner Aaron Hill, Commissioner Jerry Rostad, Dave Leker, Dave Bietz, Kevin Boe, Carolyn Boutain, Brian Arett, Paul Grindeland, Broc Lietz, Luke Evenson, Katie McCormick, Cindy Boettcher, Jodi Buzick, Spencer Hilde, Oliver Finneman, and Rich Slagle from McGough, Rusty Papachek

### **Review Financial Projection for Period Ending September 30, 2022**

Luke Evenson, presented. Luke provided the committee with the quarterly financial review for the period ending September 30<sup>th</sup>, 2022.

#### 1. Budget-to-Actual Review YTD

- The report presented covers 9 months from January 2022 through, which also includes VSS.
- Total revenue is just over \$31M with taxes and special assessments being the highest.
- Part-time salaries are at 81% due to all the seasonal workers we have over the summer compared to full-time salaries at 76%.
- We paid out city pension payments in this fiscal year for 2020 and 2021 which is why Employee Benefits is higher than expected.
- Capital equipment and improvements is at \$18.3M spent which includes the Fargo Parks Sports Complex expenses which are just over \$16M at this time.

#### 2. Cash Flow (current and projections)

- At the end of September our ending cash balance is at \$78,924,359 with most of those fund's ear marked for the Fargo Parks Sports Complex.
- There are reduced cash balances for the next 9 months due to the capital expenditures on the Fargo Parks Sports Complex.

### **Review Recommendation for Construction Management at Risk Services for Phase II of Fargo Parks Sports Complex Project**

Dave Leker, presented. The board approved Phase II of the Fargo Parks Sports Complex at the 2023 Budget Hearing of the October 4 Park Board meeting. Discussed how acquiring the Construction Manager at Risk as soon as possible would help with budgeting. Advertisements for Request for Qualifications were due at 10:00 a.m. on October 31, 2022. McGough was the only proposal submitted. Dave said he talked to a couple contractors and Broc talked to one and they were told due to the size of the project and the fact that we are already working with McGough on Phase 1, they didn't feel they could be competitive so didn't offer a proposal. Dave informed we did go through the process of interviewing McGough. The interview committee consisted of Dave Leker, Executive Director Fargo Park District; Mark Honzay, JLG Architects; Tony Eukel, MBN Engineers; and Cody Baker, Dakota Fence. The ad-hoc committee included Phil Seik, Construction Manager Sanford; and Tyler Kirchner, Project Manager Fargo Park District

Dave stated there is efficiencies and coordination, and construction savings with McGough already being on site.

Dave recommended to move forward to negotiate a fee with McGough and bring the packet forward to the November 15 Park Board Meeting for final recommendation and approval.

Commissioner Dawn Morgan questioned any anticipation with problems negotiating? Dave does not anticipate any and feels McGough will produce their best negotiated price. Commissioner Vicki Dawson confirmed that no price is included in the proposal. Dave added the request was for qualifications and now the price will be negotiated. Richard Slagle from McGough stated they will do everything they can to make this work. He also stated they did not take anything for granted in the interview. The dialogue between McGough and the Park District got into details. Commissioner Jerry Rostad asked about timelines and availability of supplies. Oliver Finneman, Preconstruction Manager with McGough, advised some supply chains are better, but electrical/mechanical equipment are pushing out over a year. McGough is seeing no break in escalation/inflation.

The committee recommends moving this to the full board for consideration and approval.

**Bring to the Full Board: November 15, 2022**

- **Review Gift Agreement from Dan Thompson**

Dave Bietz, presented. Dan Thompson owns a piece of land along Fargo Park District's County 20 Trail. On this land is one of the Park District's recreational trails that the parks department maintains. Dan would like to donate this piece of land to the Fargo Park District. In exchange for the donation of the land, he has requested to have one (1) adult 5 for 1 golf pass and one (1) senior 5 for 1 golf pass to the Park District golf courses for three (3) consecutive years commencing with the 2023 golf season donated to the Fargo Air Museum. The Fargo Air Museum will auction off the passes each year as part of their benefit fundraiser. Commissioner Vicki Dawson inquired as to the value of the land, and it was reported around \$1,900 to \$2,400. Commissioner Joe Deutsch stated it was fair. Dave Bietz stated it is a benefit to the Park District to acquire this parcel.

The committee recommends moving this to the full board and place it on the Consent Agenda for consideration and approval.

**Bring to the Full Board: November 15, 2022**

- **Review Gift Agreement from Urban Plains Land Company**

Dave Bietz, presented. Michael Thomas with the Urban Plains Land Company contacted the Fargo Park District regarding gifting a parcel of land owned by Urban Plains Land Company. The land is a stretch of path between 28<sup>th</sup> Avenue South and Amber Valley Parkway that does have a segment of recreational trail that connects to trails already maintained by the Park District. There is no request for anything in exchange for the gift of land. Dave Bietz stated it is a benefit to the Park District to acquire this parcel.

The committee recommends moving this to the full board and place it on the Consent Agenda for consideration and approval.

**Bring to the Full Board: November 15, 2022**

- **Review Request to Solicit Bids for 2023 Parks Department Equipment**

Dave Bietz, presented. Every year the park district buys equipment for the operation for our parks and facilities which exceeds \$200,000. As part of the Fargo Park District Procurement Policy and North Dakota Century Code, Dave is requesting permission to publicly bid the equipment. Discussed the proposed timeline for bidding and potential award at the January board meeting.

The committee recommends moving this to the full board and place it on the Consent Agenda for consideration and approval.

### **Bring to the Full Board: November 15, 2022**

#### **Review and Discuss Personnel Policies**

Broc Lietz, presented.

- **Holidays Policy No. 300** – Recommended to move paid holidays on a current basis when they happen.
  - Current Policy - an employee that works a holiday receives pay for the hours worked and receives vacation credit to bank and paid out when they use it.
  - Recommended Changes – When holiday happens employee receives vacation and gets paid hours worked. Everything happens in the same payroll. Also, part of the change is to eliminate vacation credit for exempt employee. This is consistent with Fair Labor Standards Act which with language that exempt level employees are not eligible for additional compensation for working holidays. The recommended changes consist of two segments: (1) makes our policy more compliant with federal law, and (2) keeps everything current. Changes would be effective January 1, 2023.

Commissioner Joe Deutsch questioned who qualifies as exempt and who is deemed necessary to be at work on holidays? Broc stated if an employee receives compensatory time, it is a requirement to be at work. If an employee chooses to come in to catch up on work and is not receiving compensatory time, it is not a requirement. It is an expectation as an exempt employee to work hours, even holidays, as part of their job. Commissioner Vicki Dawson reiterated that is an expectation of being exempt. Commissioner Jerry Rostad inquired as to the number of exempt employees with the Fargo Park District. Broc estimated 25% of the employees are exempt. Dave Bietz discussed services continue and exempt employees in maintenance work holidays as part of their job.

- **Social Media Networking Policy No. 510** – The purpose for the recommended changes is for better clarification.
  - Current Policy – Social medial platforms were not as prevalent at the time of the current policy.
  - Recommended Change – Language changes clarifying acceptable behavior and use of social media and representation of the Fargo Park District. Better clarification to when are you classified as an employee and using social media platforms. A vast majority of the changes is to give clearer guidance. Katie McCormick discussed outlining expectations for more clarity while keeping free speech in mind. Discussed creation of social media networking sites and wanting them to be kept more organic and not associated as part of the Park District.

Katie advised the information was obtained by reviewing policies from other companies. Commissioner Aaron Hill wondered about the addition of plagiarism. Katie stated that language was consistent with the other policies they reviewed. Discussed the need to have better clarification when using “speaking on behalf of Fargo Parks” and speaking “about” Fargo Parks. Commissioner Rostad inquired if there have been issues with this. Katie stated a few over the years and often it comes down to training. Marketing will work with Supervisors to provide the best clarity. Commissioner Rostad added employees need to be addressed if violating policy and Commissioner Deutsch asked about what consequences for policy violation are, and who is responsible to handle that. Broc stated it depends on severity of the violation, but would follow the normal chain of command,

Supervisor/Manager, Director, Executive Director. Broc added their plan is to try a more systematic approach for annual policy training. Discussion on having accountability for the employees to sign off on receiving the training.

- **Sick Leave Policy No. 240** – Discussion purposes only. Review current policy and discuss options for equity, accrual, payout coordination, and potential effective date.

Broc discussed getting feedback from the board about the current sick leave policy, how it is administered, and whether the annual payout is not equitable based on longevity. Commissioner Deutsch also added an inequality concern with some exempt employees having the opportunity to make up their hours instead of using sick hours and others cannot be due to their positions.

- Current Policy – Employees accrue sick leave at 8 hours per month with a max of 960 hours. Employees are eligible for a payout of 50% of their hourly rate for any hours over 960. Employees who leave employment do not get paid anything on the 960 hours. If they leave at the end of the year, they are eligible to get paid 50% of the excess of 960 hours. They are not eligible if they leave employment before the end of the year. Broc advised roughly \$40,000 - \$60,000 is paid out annually on the excess hours to eligible employees.
- Recommendations – Match the accrual rate of sick leave to the accrual rate of annual leave. Rather than it only applying to employees who have been here 10 years or more, there will be a tiered system to get paid a percentage based on the employee's accrued sick leave. Eliminate getting paid 50% of sick leave hours over 960. The max payout is 20%. No matter when an employee leaves employment they are eligible for the percentage payout. All unused sick leave will be carried forward to the next fiscal year with no max. The most that will ever get paid out is 20%. To assist with recruitment, allow for negotiations regarding starting accrual levels and/or sick leave beginning balances other than zero.

Commissioner Aaron Hill asked if PTO was researched. Broc shared the challenge with PTO is in the conversion. It creates an unfunded liability because PTO is treated like vacation so is payable.

Discussed comparison with other Park Districts, City of Fargo, and North Dakota University System. Commissioner Vicki Dawson was interested in knowing what the amount of leave the average person uses for regular sickness. Commissioner Rostad shared Bureau of Labor Statistics lists eight hours as the average sick leave used per month.

Dave Bietz stated the definition of sick leave has changed over the years and the Directors tried to modernize the policy and make it more inclusive based on feedback from the Commissioners. The Park District wants to be competitive with like agencies.

Commissioner Dawson discussed the purpose of sick leave is to provide security to employees if a medical need. Commissioner Deutsch added to not let compensation drive the model.

Discussed short-term disability not being offered by the Park District but long-term disability is. Commissioner Dawson discussed looking into a separate maternity/paternity leave policy.

Broc stated they will continue to work on the policy and bring back for review.

- **Donation of Vacation & Sick Leave Policy No. 235** – Recommended change is to expand the leave donation options to include sick leave if the sick leave policy is changed as recommended.

- Current Policy – only includes the option of donating vacation hours to eligible employees.
- Recommendations – expand the donated hours to include sick leave.

Discussed donated hours are not dollar for dollar based on who donates, i.e., a higher paid employee may donate hours to an employee that makes less. The donation is not based on the employee's wage, but rather hours. If donating eight hours, the recipient receives eight donated hours.

The committee recommends moving Holidays Policy No. 300 and Social Networking Policy No. 510 to the full board and place it on the Consent Agenda for consideration and approval.

**Bring to the Full Board: November 15, 2022**

- **Update on Rose Creek Restaurant**

Carolyn Boutain, presented. Carolyn advised Legends Restaurant at Rose Creek Golf Course was terminating their lease, which ends December 31, 2022, and closed Saturday, October 29, 2022. Discussed getting things returned to vendors. Fielded calls for next year's reservations advising them the Park District would like 60 days to produce a plan. Legends has returned their deposits and cancelled their dates. Discussed the Roger Maris Tournament scheduled next year and the request they can serve food if the Park District does not have a vendor in place. Commissioner Aaron Hill recommended the Park District allow them to bring in food if we have not secured a vendor and committee agreed. Carolyn has scheduled tours of the site with interested parties. She would like adequate time given to find a vendor and develop the best contract with staff involvement for recommendations. Commissioner Joe Deutsch agreed time is needed to figure out what hasn't worked and find the best vendor.

Carolyn will start the search and update the committee hoping by the December Facilities Committee Meeting.

- **Review Encroachment Agreement with Todd and Kelly McComb for a Fencing Easement**

Dave Bietz, presented. Staff received a request from the McCombs for a fencing easement to square off their property between the Park District and their home/backyard located at 2722 Lilac Ln North. In exchange for the easement, the McCombs are willing to take over the ongoing maintenance of this area as their responsibility. Dave advised the property is North Oaks Park which is a swale with no recreational value and hard to maintain. Dave stated it is a benefit to our maintenance to grant this request.

Lengthy discussion on the Park District owning other areas like this, neighbors, and getting input. Staff will go back and do more research on this.

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Budget Committee Notes submitted by Cindy Boettcher, Administrative Specialist  
 Facilities Committee Notes submitted by Jodi Buzick, Administrative Specialist