

BUDGET/FACILITIES COMMITTEE MEETING NOTES

Wednesday, July 26, 2023; 8:00AM

Depot Board Room

Attended: Commissioner Vicki Dawson, Commissioner Jerry Rostad, Commissioner Dawn Morgan, Susan Faus, Kevin Boe, Broc Lietz, Tony Schmitt, Stacy Kruger, Kelly Kisell, Kali Mork, Amy Longtin, Luke Evenson, Stephanie D'Ambrosio, Shawn Ludwig, Blake Nybakken-EPIC Companies, Mark Honzay-JLG Architects and Patrick Peltier-McGough Construction, Odin Helgerson and Rob Mounts from Sandhills Archery Club, and Jodi Buzick

Virtual: Commissioner Joe Deutsch, Dave Bietz

Susan Faus welcomed Kali Mork as new Fargo Parks Sports Complex Director.

- Review 2024 Preliminary Budget

Brock Lietz, presented. Reviewed standard timeline and asking to put the 2024 preliminary budget on the August Board meeting agenda which needs to be submitted to Cass County by August 10, 2023. Highlights from the send draft if the 2024 Preliminary Budget:

- Mill levy valuation (tax revenue) for the Park District increase by 12% based on preliminary reports from the City of Fargo Assessor's Office. That 12% increase has been built in based on this information.
- State aid is flat compared to 2023 based on the city, so nothing to give the Park District.
- Charges for Services Revenue have been increased to reflect price points that were reviewed at the previous budget meeting.
- Full-time regular salaries expenses are budgeted with a 5% increase.
- Health insurance expense increased 20% compared to 2023.
- The Transfers Out are related to Long-Range Capital Planning needs for future projects such as irrigation, concrete, Park Master Plans Construction, etc. \$2.1 million internal transfer to sustain our long-term capital plan.
- Look at 2024 budget by subdepartment. The budget is currently balanced which is the goal.

The budget is currently balanced which is the goal. Worked closely with all departments looking at new position requests and capital requests to determine what could be done in future years which allowed the budget to be balanced.

Discussed 19 new positions built into the budget out of 32 initial requests. Eleven of new position requests are directly tied to the Fargo Parks Sports Complex. The other positions are requested through various departments. A couple positions are still being discussed. Broc stated Valley Senior Services (VSS) new position requests are not an expense to our general fund budget, which holds true in capitals and professional development for VSS. Kevin Boe stated part of the Recreation Supervisor position is not only programs but will cover the programs at the Fargo Parks Sports Complex. These are needs that have been identified in this year and prior years. In looking at the future and where we are headed there is the potential for alignment of duties. Commissioner Jerry Rostad requested to see that when it happens. Susan Faus added taking a comprehensive look of the overall park system masterplan will help identify duties that align with other positions and determine if there are things we should be doing and/or if we should stop doing.

2024 Budgeted Capitals. The initial \$11 million has been reduced to \$6.5 million. That was an effort to look at what we need and things we can repurpose and look at later, and looking at what we need to get caught up. Some capitals are project related keeping up with facilities and items we have throughout the Park District. \$1.5 million in concrete and asphalt throughout the Park District. Lighting project at Tharaldson which is a broader long-term plan so we were able to put them in place. Try to make sure that all monies are getting to departments for their needs.

2024 Budgeted Professional Development. The Park District has a continued commitment to our employees and needs they have for professional growth. There was a slight reduction due to timing and choosing priorities to attend. Working to meet the needs to invest in our employees into the future.

Summary of Budget to Budget. Discussed no revenue component tied to parks in 2024, but there had been in 2023 and 2022. Reason for that is when we submit mill levy to the county there are different breakdowns. When we submit to the county they roll into the general fund and do not break it down. If they look at it holistically, we need to do the same. There is a subsequent increase in administration due to the holistic process like the county. The reports with ours and the county will match. In internal transfers there used to be a portion in each department where we are planning for long term capitals. We should not “charge” for each department so this year it is rolled into 1 line item for the Park District. The other difference is with Courts Plus on the expense side. When Courts Plus was a stand-alone enterprise, we were charging their budget for and did not do that with other departments. Finance wants the departments to develop their budgets and not just have finance tell them how much money they have.

Golf increases in passes and green fees. There is a 2024 increase in revenue based on the demand in golf. The expense side it decreased. The Osgood irrigation was budgeted at close to \$1 million in 2023, so it was reduced due to not anticipating that same expense in 2024.

Commissioner Vicki Dawson addressed the concessions deficit increasing every year. Keep an eye on loss in revenue for usage for the general population. Kevin stated internally they made changes to some staff where the salaries came from different budgets, and the Concession Manager is all from concession which is a 1.5 employee add. Commissioner Dawson commented we are more accurately accounting for our revenue and expenses in each department. Broc advised using the CPI for increases but also looked at demand. Discussed neighborhood parks and recreation and why revenue down so much? Luke stated he would investigate what was the actual versus budgeted. We want to budget based on prior year actuals. Commissioner Dawson indicated under pools expenses are budgeted lower in 2024 than 2023. We had capitals related to pools in 2024 with filtration and cleanliness, repair issues with the sloughing on the southeast side of the pool that was budgeted for. This will have to be built back in for aquatics once Island Park Pool is open.

Luke Evenson discussed the debt service fund in 2023 budgeted revenues. In 2024 there were not a lot of changes but reduced the mill levy by 1.25 mills so we can only levy for the dollars we are going to spend. Because our levy grew but the dollars went down, our budget lowered. This is subject to change with final certification. Traditionally when it is certified it varies but the county balances for all political subdivisions. This does not mean your taxes will go down, but your tax rate may go down. Commissioner Dawson questions if the number of mills will go down for each taxpayer. Luke confirmed that is correct.

Discussed how professional development is determined? An employee will make a request and the supervisor, manager, director, deputy executive directors, and executive director review and decide. Kevin stated there are individual conversations with managers and they look at what the employee needs for training.

The Committee recommends moving to the full board for consideration and approval. To certify the preliminary budget to the county on August 10, 2023.

Bring to full Board: August 8, 2023

- **Consideration of additional Park District properties included in the Wildlife Management Program**

Tony Schmitt, presented. Sandhills Archery Club has requested adding four potential Park District properties into the Wildlife Management Program. The Sandhills Archery Club does administer the urban archery hunt with the City of Fargo and the Fargo Park District. The role of the Park District is to provide properties for the hunt, provide the use of Metro Rec for training, and during staff's day to day duties look at the Park District properties that are included in the Wildlife Management Program. Odin Helgerson addressed the committee stating they are trying to run the most effective program they can. Rob Mount, one of the Sand Hills Archery Club's coordinators, had the idea of looking at other park properties to be more effective. They looked at locations that allowed enough space for people using the park and hunters could safely hunt. Sandhills Archery Club now has four coordinators, and each coordinator would monitor around nine hunters, instead of one coordinator monitoring all of them. The areas will be closely monitored. The requested locations include Funfar Park, Edgewood Golf Course, properties north of County 20, and Trefoil Park.

Funfar Park - The area they are requesting is unused for the most part. With bridge closure there is no traffic.

Edgewood Golf Course. This would be a bonus area for the variable season, between golf and winter activities. If there is not a lot of time between the two seasons, they would not hunt that season, but other years when there is more time between seasons, they could get a month or so to hunt. The requested areas are tucked up in the river, not maintained, on left side of Hole #5 and left side of Holes #16 and #17 and possibly #13, so not a lot of traffic. Access is simple, along the river.

Properties north of County 20, are on Riverwood Drive in the buyout. This area has a lot of depth and easy access. The parcels are about 10 acres. A couple spots are tight so would advise hunters not to set up there.

Trefoil Park would be a little limited on advising where hunters would be due to the park is already used for outdoor recreational opportunities. Discussed the area on the NE/NW corner which is very wooded. The program does not allow them to shoot over a path so there is good depth at this location. No opportunity south and east of the path. This type of property allows hunters to spread out so light footprint with only a couple of hunters in this area.

The program allows the participants to rank where they want to hunt, they coordinate the ranking and assign the hunters. Commissioner Dawn Morgan asked how many members of the public are involved, designated to one area. The greatest number is 40 throughout the city. Odin added it is highly unlikely with schedules that there would be that many at one time. Discussed the number of tags were lowered last year to 40 when they lost three parks in 2022.

Commissioner Vicki Dawson discussed education being especially important for the hunters and the public to make them aware of why this program exists and where the locations for the Wildlife Management Program are. Rob stated enforcement is where the coordinators come in. Phones can ensure they are hunting where they are assigned. Commissioner Dawson would prefer more specific of how we make sure they are hunting where they are assigned to be. Commissioner Jerry Rostad stated he is supportive of the Wildlife Management Program. Adding that the optics are horrible and do not make sense for Edgewood Golf Course and Trefoil Park. He cannot support hunting at Edgewood Golf Course. Commissioner Dawson agreed with Commissioner Rostad. Commissioner Morgan thanked them for putting in their work on this. Suggested to approve and see how it works out and if any incidents at all can be reviewed. Commissioner Dawson wants to see signage they put up last season and what the signs says. Tony stated it is limited on signage. Commissioner Joe Detuch stated there used to be signage the was quite aggressive, he would like to see a list of all signage out there and what it says. Commissioner Dawson supportive of the program just wants to make sure the public is educated. Dave Bietz discussed since it is a City of Fargo program, we need to work with the city to get the correct language.

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

Bring to full Board: August 8, 2023

- Committee to review updates from EPIC on a private roadway at their EOLA Development

Dave Bietz, presented. This item was discussed at the previous Facilities Committee and Park Board meetings. At the Board Meeting this item tabled and staff was directed to work with the city and EPIC to try to eliminate or greatly reduce any cost to the Park District for the road that separates our property from EPIC property. The city reiterated their willingness to purchase right of way, but stated they are not requiring this road to go through so their offer was going to stay the same. They understood that is a financial burden to the Park District.

Blake Nybakken and his team are working hard to figure out the best way to move forward with direction our board gave. EPIC has developed a couple of options that make this roadway a private road versus a public road which would shift the cost of the road to EPIC and eliminate the need to move our building or sell any land to the city. One option, the road is placed totally on EPIC property, and nothing needed from the Park Board. The other option is a potential easement through Park District property. We would say we are willing to listen to the easement request and what the impacts that would have. Both options have zero cost to the Park District.

Discussed the easement would allow the Park District to have potential parking stalls which is a benefit. An 8' easement would not impact our building which was the greatest cost outside of the actual construction of the road. If not providing an easement, the road would be on EPIC property so would not have to follow city standards making it more cost-effective. EPIC's current design does not include a request for an easement from the Park District.

Discussion of Broadway Square Agreement

Kevin Boe and Dave Bietz, presented. The current 3-year agreement continues until January 1, 2024. Staff and Commissioner Aaron Hill met with Block 9 Partners (Mike Allmendinger, Scott Neal, and Paul Noah) on three different occasions on the Management Agreement. Five items were discussed, and Block 9 Partners had general comments:

- (1) Block 9 Partnership \$30,000/year. An agreement with loss sharing for the Broadway Square. This was put in place because of the ice rink that was part of Broadway Square and what Block 9 Partners wanted to put down there. Block 9 Partners are open to discussing the continued payment but would like recognition as a sponsor with RDO and Kilbourn.
- (2) Maintenance and Cleanliness. They would like to see snow removal from the boulevards and hockey boards more regularly during the winter months. Kevin Boe stated it is a lot of work for the maintenance team. We treat these like our parks, they remove snow down there and done at the level we do in our regular maintenance.
- (3) Daily operations and changes they would like to see. This has already been addressed with the Block 9 Partners. They want red tables and more umbrellas. The bistro tables they requested were put down there and the wind blew them down and several have broken. The wind threw the umbrellas around the Square which was a concern with all glass down there.
- (4) Events. Block 9 Partners stated smaller events are not well attended and take a lot of time, would like to see a partnership with a group to provide music events on Thursday nights to attract large crowds, see food and beverage partnership with Jasper and other local businesses for corporate rentals and event planning, concerns with the loud music dedicated to workouts for the Courts Plus/YMCA summer workouts stating it is not appealing for surrounding outdoor dining activities. Would like to see a dedicated speaker, moving the event to a different hour, or turning down the music.
- (5) The Park District suggested a change to the concept as it relates to the expenses of the plaza for Capital Improvements/Infrastructure and Non-Capital/Infrastructure. The Park District could run the ice rink, but we turn everything back to RDO and have them run it when the rink is not open. We can still be part of downtown by running some of our programs and events there.

Kevin discussed a brief history of the financial commitment to The Square, as well as the preliminary proposed 2024 budget. Since 2021 each year has had an operating loss. For 2024 the budget is estimated to run with another operating loss. Dave Bietz stated data collected has shown an \$80,000 commitment in maintenance costs. A lot of the handwork is not captured. We will articulate that better moving forward so anytime we get sent to Broadway Square those hours will be captured. In winter our shovel crews may spend 2-8 hours.

Discussed options for the agreement: (1) continue with the agreement as is for 1 year and continue to work with the ownership group to gain clarity on the items discussed, (2) modify the agreement and present it to the ownership group, or (3) terminate the agreement.

Commissioner Vicki Dawson shared it is a great park and provides opportunities to people, but the Park District does not have 100% control and it takes away from other parks and facilities with our time and energy spent there. Kevin and Stephanie D'Ambrosio discussed staff safety concerns and the Park District will not have staff at the Broadway Square office, they will now be at the RDJ with events.

Commissioner Jerry Rostad suggested the Park District could contribute a dollar amount and have the ownership group run square. Commissioner Dawson agrees with Commissioner Rostad. Kevin added if we give them a dollar amount and they want the Park District to run the ice rink, we know what it costs, and we could bill them for that expense.

Kevin discussed the Block 9 Partners are aware the agreement states to give 120 days' notice. Block 9 Partners advised some decision they had not discussed internally or brought forward to act on issues the Park District has. The agreement automatically renews if we do nothing. We would bring to August 8 Park Board Meeting.

The Committee recommends moving to the full board for further discussion consideration and direction.

Bring to full board: August 8, 2023

Committee to review 2024 recommended fees for the Fargo Parks Sports Complex

Susan Faus and Kali Mork, presented. Discussed the fees being recommended and compared to like fees within the community. Fees that are recommended have been included in the preliminary 2024 budget. It is a starting point and staff will evaluate as we start utilizing the fees. It will take a few years of being fully open and operational to really understand the needs and fees may need to change from time to time. Commissioner Vicki Dawson discussed the fees for the party rooms and multipurpose rooms. Kevin Boe stated the party rooms upstairs and in playground are significantly smaller. The bigger rooms, the board room, and the two multipurpose rooms can be converted into one large room. Susan added fees were considered to make sure they are reasonable for families. Kali Mork added that once we get into the facility, we will have a better handle on what the actual costs will be. Commissioner Dawn Morgan asked how future tax effects this. Broc Lietz stated as the city grows, we have an increase in revenue due to the expanded tax base which will offset the debt. Discussed the growth and increase in revenue would not go just to one project. Everything tied to funds in the general fund go towards the budgeted projects and established projects. The resolution to raise the taxes for the Fargo Parks Sports Complex or Island Park Pool are exclusive to those projects. The mill levies will go down when the debt gets paid down.

The Committee recommends moving to the full board on the Consent Agenda for consideration and approval.

Bring to full Board: August 8, 2023

Discussion on Name of the Fargo Parks Sports Complex

Susan Faus, presented. Discussed Fargo Park District and Sanford Health in agreement the site would be named Sanford Sports Complex. Conversations made it clear that the Park District would not be calling the building a sports complex. Community Relations produced some options for a new name; (1) Fargo Parks Center, (2) Fargo Parks Hub, (3) Fargo Park

Indoor Rec, (4) Fargo Parks Rec Plex, (5) Fargo Parks Recreation Center, and (6) Fargo Parks Activities Center. Fargo Parks Center came out on top as most people's preference. A naming partner opportunity is still available. Commissioner Vicki Dawson wants to see Fargo Parks to stay in the name when we get a sponsor. Susan stated if a potential partner does not want that, the Board would decide whether to accept a naming offer or not at that time. The proposals Craig Bjur is using do not include Fargo Parks. Discussed potential naming partner proposals of \$15 million and \$20 million. Potentially a sponsor could choose what they want and not include any of the name we have chosen. Commissioner Joe Deutsch added he has spoken with Craig, and he is in favor of Center. Commissioner Dawson feels Center makes the most sense. Commissioner Deutsch is in support of Fargo Parks Center. This will be announced at the VIP event on August 16, 2023.

- **Review bids for Electric Ice Resurfacers**

Tony Schmitt, presented. Opened bids July 11, 2023. Received one bid from Zamboni Company USA. Big Hill Services, Ltd., did not bid stating they felt they did not meet specifications. It was budgeted in the Fargo Parks Sports Complex soft costs for \$150,000. Staff recommended to award the bid to Zamboni Company USA for a total bid of \$163,469.55.

The Committee recommends moving to the full board on the Consent Agenda for consideration and approval.

Bring to full Board: August 8, 2023

- **Review bids for Brush Chipper 2023 or Current Model Year**

Tony Schmitt, presented. Opened bids July 11, 2023. Received four bids; one from Trenchers Plus, Inc., and three from RDO Equipment. Trenchers Plus, Inc., was the lowest bid and met all specifications.

Funds will be utilized through Forestry contingency dollars as part of the Emerald Ash Borer Plan. Staff recommends awarding the bid to Trenchers Plus, Inc., for a total bid of \$63,415.00.

The Committee recommends moving to the full board on the Consent Agenda for consideration and approval.

Bring to full Board: August 8, 2023

- **Review bids for Drop Side Truck Dump Body 2023 or Current Model Year**

Tony Schmitt, presented. Opened bids July 11, 2023. Received one bid from Bert's Trucking Equipment for a total of \$32,490.00. Staff recommends not accepting this bid since there were no bids for the 1.5 Ton Landscape Truck 4x4. Both pieces of equipment will be rebid and brought to September Facilities Committee Meeting and potential award at the October Park Board Meeting.

The Committee recommends moving to the full board on the Consent Agenda for consideration and approval.

Bring to full Board: August 8, 2023

- **Resolution Providing for the Competitive Sale of \$34,000,000 General Obligation Bonds, Series 2023B**

Broc Lietz, presented. At the August Park Board Meeting, the Fargo Park Board approved the Initial Resolution Providing the Issuance of the General Obligation Bonds up to \$34,000,000.00 for Phase II of the Fargo Parks Sports Complex. The resolution began the 60-day protest period for raising the mill levy to service the debt and debt issuance. The Fargo Park District will apply for the infrastructure loan through the Bank of North Dakota for \$2,800,000.00 for infrastructure at a reduced rate to bond issuance. If the Fargo Park District receives the \$2,800,000.00 infrastructure loan through the Bank of North Dakota, the resolution will be reduced by that amount. The bonds will be sold in September and bring back to the Park Board at their October meeting.

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

Bring to full Board: August 8, 2023

- **Permission to apply for Garrison Diversion Conservancy District Recreation Grant**

Tony Schmitt, presented. Grants may be requested for new recreation facilities and enhancement or expansion of existing facilities. This is a matching grant for projects located within the Garrison Diversion boundaries for up to 25% of the non-federal share. The Recreation Committee meets biannually to consider grant applications. The fall deadline is September 1, 2023. The Fargo Park District is planning a playground replacement at the Pepsi Soccer Complex. The project would improve accessibility to the playground and update the existing playground. The estimated cost for this project is \$250,000.00 which could result in a potential 25% match of \$62,500.00 if the Fargo Park District were awarded this grant. Discussion on what cities are included in the Garrison Diversion and if entities could apply both for the spring and fall deadlines.

The Committee recommends moving to the full board on the Consent Agenda for consideration and approval.

Bring to full Board: August 8, 2023

Other:

Susan Faus reminded the Committee that at the next Board Meeting, information will be provided on the north concourse extension.

Tony Schmitt informed the Committee that a waterline burst at the North Softball Complex. There was no water available at all. The repair was essential due to tournaments.

Notes submitted by Jodi Buzick, Administrative Specialist