

BUDGET/FACILITIES COMMITTEE MEETING NOTES

Wednesday, July 27, 2022; 8:00AM Depot Board Room

Attended: Commissioner Dawn Morgan, Commissioner Vicki Dawson (via Teams), Commissioner Aaron Hill, Commissioner Joe Deutsch, Commissioner Jerry Rostad, Dave Leker, Carolyn Boutain, Dave Bietz, Broc Lietz, Brian Arett, Kevin Boe, Paul Grindeland, Luke Evenson, Stacy Kruger, Katie McCormick, Kelly Kuntz, Tony Wolf (Zerr Berg Architects), Doug Whitaker (WTI), Paul Noah, Cindy Boettcher

The agenda items have been approved to be switch and item #2 was moved to item #3, and item #3 to item #2. Also approved was to remove item #4 and speak on the hiring of the Deputy Directors in item #5.

Review schematic drawings and renderings for reconstruction of Island Park Pool. Kevin Boe, and Tony Wolf, Doug Whitaker (WTI), Presenters.

Tony Wolf (Zerr Berg Architects) presented the first design drawings for the new Island Park Pool. This includes a 50 Meter pool running east and west, a tube water slide, FlyTyme slide, lazy river, zero-depth entry/play zone for the children, and the diving well. There would also be an elevated seating deck area.

The budget for this first drawing is at about \$19M, so will need to cut about \$2.5M, and some options for that are.

- Opt. 1 Reduce Size of Splash Zone Wading area by 1000 sf
- Opt. 2 Omit Elevated Deck Area
- Opt. 3.1 Reduce Size of Building by 1600 sf
- Opt. 3.2 Reduce Size of Building by 1600 sf and reuse existing structure
- Opt. 4 Omit Water Slide Tower

Commissioner Morgan asked about the building being used during the winter and if it will be heated and what amenities will be there. Tony and Doug commented that it will be heated and there will be a community room with access to the bathrooms and that could be used as rental space for ski rentals in the winter to use in the park.

Commissioner Morgan expressed that the public surveys seemed to want the pool area to be as traditional as possible and she believes the slide may not fit into that traditional aspect.

Dave Leker stated that the local neighborhood survey expressed since we have slides at the other pools, we do not need similar slides at Island Park. The slides shown in the rendering are slides that we do not currently have at our other pools. We will try and combine the amenities to meet everyone's wants.

Commissioner Morgan expressed that the slide would not be a good amenity compared to something that could be used year-round. The apartments on 8th street and those residents could come down to the pool and just have outside space to sit, read, have beverages, and draw to the older age group. Tony stated there may be additional options on the west side where there is currently the concrete seating and that could be some tiered seating and/or benches for some easier access for people, and with the elevated deck on the North side that could function in that way, but it would depend on how programming would be set up.

Commissioner Hill asked if there will be certain times assigned to the usage? Dave Klundt stated there is currently lap swim is 11AM-12:30 PM and regular hours begin at 1PM. Dave would envision that the lazy river be opened at those same times as lap swim and that could be used for walking against the current for a low impact workout.

Commissioner Dawson stated storage would be an issue the way it looks now but Tony stated there will be substantial storage on the north side, below the observation deck inside the arena facade.

Commission Morgan said there is more interest in winter activities since covid and the pool is limited in its scope so it's important that we know what the public space will be offering year-round.

Commissioner Dawson asked if the diving boards and getting kids out of the water seems to work with this design. Yes, It would along with color coding the ladders. The FlyTyme slide would have a different ladder as well with the low dives are on the same side. The east half of pool could be used as something else like a separate open area. The lazy river capacity is about 300-350 people with the tubes. Doug stated the deck capacity is more than enough to accommodate the community. Doug stated that the tube slide can accommodate single and double tubes with about 90 users per hour.

Commissioner Morgan asked what the demographics of the age range of the slide, and how do people get to the top, and are they ADA accessible. Doug stated these are exempt from ADA requirements. There is a stairway to get to the slide. Older user groups and parents could go down with their child. The FlyTyme slide goes into 12.5 ft of water so you would need to know how to swim. Water tubes will be accessible at the stairs in tube corrals, and storage areas onsite to store them. Stairs are wide so the tubes go up with the users easily. When done using the tubes they come into the plunge pool so users can either exit, repeat slide, or join friends in the lazy river. Users do not tend to return the tubes. Will need staff picking those up and attending to the tubes.

Commissioner Dawson asked about the capacity of the Island Park Pool and the current capacity of the pool is 750 people. Proposed capacity is 1000. Kevin Boe stated we may need to add additional lifeguards and it's been a struggle to hire lifeguards. Commissioner Dawson also

asked about after dark usage and Dave Klundt stated that the afternoon has the most usage of the day. Doug stated that lights and other items needed for after dark usage hasn't been put into the planning as it is a \$200,000-\$300,000 option. The elevated deck will have options, but we would probably want that connected to the pool area, and yet to be determined. How will we factor in the noise from the kids on top of the slide? This impacts the rest of the park.... Doug stated it is always a consideration. After the pool gets opened the slide tower does not play a part of the noise as its usually happens at the exit off the water slide.

Regarding the speed of users going through the lazy river, Dave Kundt stated that nobody should be going at any different speed then the other person. Doug stated the people that are there would be there more as a personal work out and be there during less active hours usually, or at adult swim time. Users will need to have a tube to be in the lazy river but could be difficult to police that.

Commissioner Dawson asked if we want the water slide at this pool, Commissioner Morgan stated there was talk of a place with the similar atmosphere as it has now. How did we evolve into the water park aspect? Dave Leker stated the design group looked at something different, fly slide, tube slide, with the idea that there is something for everyone and adds play value.

Commissioner Morgan stated many people expressed they would want a swim time at night with jazz music for older adults. This could possibly be scheduled once a week or every two weeks. There are some users that just want to swim and have fun and nothing else. Has that group of users been incorporated into this design? Dave Klundt stated we currently have an 8PM-9PM slot for lap swim Monday - Friday and that may be a good time for this or 6PM-8PM would be less active with younger users. Doug said this is not a water park, but more of an aquatic park and there are many options on the east side of pool to have adult only swim at certain times.

Commissioner Dawson asked about the ninja course. This Ninja course is listed as an alternate on the options to add and be roughed in as a potential for the future. Not a lot of storage is needed until the apparatus needs to come down. The ninja structure would be about 30 FT in the air.

Commissioner Deutsch wanted to know what the action item is with this discussion. Dave Leker stated we are in the schematic design phase of the Island Park Pool, and we would get the bid out prior to the start of demo in December then awarding bids in February. There are two concerns the commissioners have with the current design, the water slide, and the comfortability of the structure that is already there.

Commissioner Morgan does not like the slide idea. She thinks it's too high and she expressed concerns about what will it look like in the park in the winter. She would like to see the bath house be enhanced and the look updated.

Commissioner Rostad asked about the 2022 and 2023 construction numbers. There is about a 4% cost escalation every quarter. He is fine with the bath house building but having the slide is concerning as it changes the major feel of the park.

All commissioners agreed on keeping the bath house structure, but they would like to see alternatives or justify why the water slide would be worth it. Dave Klundt stated that Davies Pool has 30,000 people per year, and we need some feature like this water slide at the Island Park Pool.

Commissioner Dawson asked why water slides instead of a Ninja course and Doug stated that the water slides are safe and allow more people to utilize compared to the Ninja site. The water slide is participatory. The Ninja course require upper body strength which some youth and adults don't have.

Dave Leker stated we need some direction from the commissioners so the design team can move on to the next step in the process. Dave Leker will show both options at Thursday night's Island Park Pool public meeting. Dave will also schedule individual meetings with all commissions after Thursday's public meeting.

Continue discussion on an ice facility at the Fargo Parks Sports Complex (FPSC) in collaboration with Angel Hockey and Fargo Youth Hockey Association- Dave Leker, presenter.

At the Facilities Committee Meeting on June 29, 2022, we presented three pre-design layouts for two sheets of ice at the Fargo Parks Sports Complex along with pre-design budget estimates. During the meeting, the finance team presented data regarding the status of fund balances throughout the district, to include limitations of restricted funds and accessibility to unrestricted funds for board consideration. Broc and Luke also discussed the previously approved bridge loan, paid through the dedication of one general fund mill, for capital projects and the annual impact it has on the annual operating budget. The foundation was asked to have a meeting with representatives from Fargo Youth Hockey and Angel Hockey to discuss the potential for private contributions toward the cost of a two-sheet ice facility.

Through discussion at the Facilities Committee and subsequent conversations, it became apparent that the district should be considering a broader scope for a Phase 2 of the FPSC. Attached to this memo are some discussion points for the Budget/Facilities Committee Meeting next week. A request was made to research the possibility of funding phase 2 in the current budget cycle through increased debt service levy and general obligation debt. The district's financial advisor had provided the following to our finance team:

- Approve a preliminary 2023 Budget that includes a mill levee increase to cover the bond repayment. Begin 60-day protest period for issuing General Obligation Bonds by issuing a notice in the Fargo Forum on August 3rd to begin the 60-day protest period. We would move the final Budget Approval from the September Board Meeting to the October Board Meeting and hold it on the 1st Tuesday of October. We will have to be confirm with our Bond Counsel this timeline works out.

As a result of the research staff has done under the direction of the board, we recommend the following action:

- Establish a Task Force consisting of representatives from Fargo Park District Staff, Commissioners and local stakeholder groups to discuss Phase II for the Fargo Parks Sports Complex and work through the discussion points shown on the attachment included in the Budget/Facilities packet. This would allow us to gather better information for the project to include: needs assessment, updated business model to fit scope, project scope, design, budget, schedule, funding solutions and partner agreements.

Commissioner Rostad asked what the timeline would be for this task force and Dave Leker estimates it would be from 1 to 8 months. Paul Noah with Angels Hockey stated this timeline does not work for the Angels Hockey or the Fargo Youth Hockey organization. Paul stated they have a level of commitment to this project with a \$6M contribution so far. These two organizations are not interested in another study.

Commissioner Morgan mentioned how the south side of Fargo is growing, hockey is growing and part of the community. Her only concern is the financial obligation.

Commissioner Rostad spoke about the potential of available funds and our liquidity ratio issue and how have we gone from 3 to 8 in four years. Luke Evenson mentioned that we do have excess cash at this time of \$11M however it has been committed to the FPSC, and \$3M of that \$11M is committed to the Island Park Pool project. The Liquidity ratio is a short-term review of our current cash with current liabilities in a year. This is just one of many different ratios. Broc Lietz stated that we made a conscious effort to put these dollars into these projects, it was by design, and will look different in two years. Our cash will dissipate in two years when these two projects are completed. We must look at the whole picture.

Commissioner Deutsch stated that at the last Facilities meeting Luke had stated that we need to maintain 30% of our cash reserves in the general fund to maintain our bond ratings so there is \$2-\$3M that is not committed to these two projects.

Commissioner Dawson stated that we need to decide today on how much new money to take to meet the deadlines involved, which means we would not have to proceed but just decide on how much to take as of today and start the 60-day protest period.

Commissioner Rostad mentioned if we took 2 mills, we would be \$6.6M over the \$30M for the two sheets of ice and 4 courts. Dave Leker was thought our max capacity for general obligation bonds debt service is 2.77 mills so that would leave .77 mills for the future. Broc Lietz mentioned this is about finances and can we do this. Things to consider, bond rates have doubled, economically they will come down eventually, but what is the long-term impact? There are a lot of unknowns so early in the FPSC project. We are still \$13M away from our objective of getting to a 50/50 cost share for the FPSC. We had an 8-year history where we decreased the mill levy from about .3 to 1 mill over an 8–10-year history, and now over the last 3 years we have increased that by .83 mills, 1 mill, 4.19 mills, respectively, and now we are talking about potentially increasing that again. We are the one entity that is raising taxes beyond what anyone else in town has done. The last study showed the most important need was indoor green space, and only 35% stated ice was a priority. Financially, making this decision to recommit the Park District is not a sound financial decision today.

Commissioner Morgan mentioned how the request for green space falls into another category as she is concerned about the Yunker Farm project and does not think there is any money budgeted for this. Broc stated we do set aside money over time, but it is not embedded in the current budget. She also stated that there are other items that need to be completed. She expressed concern and asked how do we manage the items we have already committed to. She wants the whole city to benefit. Dave Leker mentioned the long-range capital plans and we have a large asphalt construction fund and others, and we will work to time out all these projects. Commissioner Hill stated a lot has changed since the 2016 study was done. He would like to see a new study done regarding the addition of ice at the FPSC since the taking of new money can put us in a tight spot.

Commissioner Dawson stated we do not have to decide today but need to begin the process of raising the mills and make the decision in October. We may not need the whole 2 mills; costs are unknown but we need to give ourselves the opportunity and the ability to make the decision. We also have items of debt coming off in the near future. Commissioner Rostad thinks we should leave the door open.

Commissioner Morgan did ask Paul Noah (Angels Hockey) if he had been considering other options for hockey ice in another location. Paul thinks there possibly could be, but stated 60% of kids live south of 32nd Ave S.

Commissioner Deutsch stated kids will travel around town for their sporting events whether its 1 mile or 5 miles away. There is no control over that. He believes we need to be willing to increase the mills and use new monies.

Broc stated he will now work with our bond attorney to write a bond resolution with a request that will maximize our debt capacity and the mills required to service that debt and present this at the August 2nd, 2022 board meeting.

This item will move to the full board on August 2, 2022, to review and consider approval of an Initial Resolution Providing for the Issuance of General Obligation Park Facilities Bonds, Series 2023B.

Review 2023 Preliminary Budget- Broc Lietz, presenter

The preliminary 2023 Park District budget has been prepared using a mill levy rate of 33.86. This represents no new mills from last year.

The following schedules will be presented at the July 27th committee meeting. These schedules were included in your packet.

- 2023 budget highlights
- 2023 Budgeted revenue and expenses by department
- 2023 Budgeted revenue and expenses by fund
- 2023 Capitals schedule
- 2023 Continuing Education schedule

The objective of the meeting will be to set the mill levy rate in order to finalize the preliminary budget. The final preliminary budget will be presented at the August 2nd board meeting and submitted to Cass County before August 10th.

Due to time limitations, Commissioner Deutsch wanted to address only items that staff needed direction on. He asked that any other specific questions can be directed to Broc and Luke.

Broc stated that the \$43.1M operating budget which includes \$29,561,703 for the General Fund, \$7,767,312 Debt Service Fund, and Valley Senior Services at \$5,806,236 is now balanced.

Compensation proposals:

- 9 additional positions, with a budgeted cost at \$731,000
- Full-time staff compensation pool increase of 5%
- One-time employee inflationary adjustment payout of \$2,000.00 in this fiscal year for regular FT staff
- Seasonal staffing increases of 18%
- health insurance increase of 14%- The current claims are exceeding our premiums by about \$300,000. We do have a reserve fund that gives us about 11 months of claims. Typical standards are about 6 months reserve.

Commissioner Rostad asked what the assistant golf pros will do in the off season once they are made full-time. Carolyn stated that over the next winter they would prepare to take over some winter programming.

During the conversation regarding programming and staffing Kevin Boe stated they are down one person since Craig moved to the Foundation. This position that Craig held is funded in the recreation department and we have embedded \$250,000 for the foundation. This money is covering the foundation operating costs, the Administrative Assistant position, and the Executive Director of the Foundation position.

Capitals:

- Capitals for 2023 Preliminary Budget of \$4,675,025. Increase of \$572,051 from 2022 budget.
- Detail of the 2023 Capitals Request Schedule is provided.

Island Park Pool:

- Operations of Island Park Pool not included, as it won't be open in 2023. This will lead to a decrease in both revenue and expenses.
- Increase in capital expenses for pool equipment. Pumps, strainer baskets, and other necessary equipment to keep pools running.
- Increase in debt principal and interest for Island Park Pool bridge loan by \$714,900

Broadway Square:

- Decrease in budgeted 2023 revenues by approximately \$42,000 compared to 2022
- Decrease in budgeted 2023 expenses compared to 2022
- Payroll by approximately \$98,000, as it will be just one Full Time Employee.
- Promotion and Advertising by approximately \$38,000

This item will move to the full board on August 2, 2022 for the board to receive the preliminary 2023 budget.

Review draft job descriptions for Deputy Director of Administration and Deputy Director of Operations positions- Dave Leker, presenter.

We are currently working on the job descriptions for the two Deputy Director positions. Attached are the drafts our HR Department has put together with input from myself and the Director's Team.

The plan is to have one Commissioner, the Executive Director, one Park District employee and one individual from outside the Park District sit on each of the selection committees. The selection committee will review the applications that meet our position criteria. They will then rate each of the applicants along with other members of the selection committee. HR will then tabulate the scores and work with the selection committee to select which applicants we would like to interview. Our goal would be to interview three – five applicants.

The selection committee would make the final selection for each position. Our goal would be to have these two positions on staff by November 1, 2022.

Commissioner Rostad will serve on the Deputy Director of Administration hiring committee, and Aaron Hill will serve on the Deputy Director of Operations hiring committee.

Review 2022 2nd Quarter Financials- Broc Lietz, presenter

The leadership team will be providing a quarterly financial review for commissioners to provide ongoing financial data and status throughout the fiscal year. The review will contain the following items: Handouts were attached in your meeting packet.

1. Budget-to-Actual Review YTD
2. Cash Flow and Cash Reserve Balances (current position and projections)

Broc reviewed the reports for the period ending June 30, 2022. Going forward we will review financials at the Facilities Committee in April, July, October, and year end to truly reflect quarterly data.

Review updated Valley Senior Services Transit Drug and Alcohol Testing Policy and Fleet Maintenance Plan- Paul Grindeland, presenter.

The North Dakota Department of Transportation (NDDOT) periodically requires all transit agencies to update their Transit related policies.

The Drug and Alcohol Testing and Maintenance Policies for review today are both templates provided by NDDOT; VSS adopts these templates as written. The new policies contain only a few minimal changes compared to the current versions.

This item will be moved to the consent agenda on August 2, 2022 for approval.

Review request to solicit for bids for Park Division Equipment- Dave Bietz, presenter.

Each year the Park District buys new maintenance equipment for the Parks Division, primarily in the parks and golf course departments. This equipment is either replacement equipment or in some cases new equipment that is needed for our teams to properly maintain our sports fields, golf courses, parks and urban forest.

In alignment with our Procurement Policy, Policy No. 390, we are requesting permission to publicly bid for equipment for the parks division. Funds for this equipment bid will be included in our capital equipment budget for 2023. Once the 2023 budget is certified, our plan will be to advertise for bids and hold a bid opening in November or December. If approval to bid is granted, final bid tabs will be brought before the Facility Committee and ultimately the full Park Board for consideration.

This item will be moved to the consent agenda on August 2, 2022 for approval.

With no further questions, the meeting adjourned at 12:00 PM

Notes submitted by: Cindy Boettcher, Administrative Specialist