



Special Meeting of the Spokane Park Board Finance Committee

Tuesday, October 6, 2015, 3:00 p.m. – 5:00 p.m.

City Hall Conference Room 3B

808 W. Spokane Falls Blvd., Spokane, Washington
Sari Luciano – Parks Finance & Budget Director

Committee Members:

X Traver, Susan – Chairperson
X Dunau, Andy
X Kelley, Ross
X Van Voorhis, Ken
X Pendergraft, Lauren
Sumner, Nick – absent, excused
Allen, Mike – Council Liaison – absent, excused

Park Board Members:

Wright, Chris

Parks Staff:

Sari Luciano
Leroy Eadie
Jeff Bailey
Sam Song
Garrett Jones
Al Vorderbrueggen
Jason Conley
Carl Strong
Tony Madunich

Guest(s):

Summary

- Motion passed unanimously to approve the Adoption of Application and Use of Utility Dollars in the Park Fund, as discussed with changes and to move forward to the Board.
- Motion passed unanimously to approve Refinancing of 2005A LTGO Bonds using the 10 year term amortization at 2.4% interest.
- Motion passed unanimously to approve forwarding the 2016 Park and Recreation Budget to the Park Board for approval.
- Chris Wright shared his support of the budget as well as his concerns regarding exempt positions.
- Leroy Eadie briefly went over the 2016 City Budget that was presented by the Executive Branch.
- Attachment is included for review of the Information Technology Project Plan Update.

The next regularly scheduled meeting is November 10, 2015, at 3:00 p.m. in **City Hall Conference Room 3B**

MINUTES

The meeting was called to order at 3:00 p.m. by Chairperson, Susan Traver. Introductions were made.

Action Items:

1. Adoption of Application and Use of Utility Dollars in the Park Fund

Susan Traver led the discussion reminding the Committee what discussion took place last month on the subject. Conversation continued over the wording in regards to the agreement with the Utilities Division of the City of Spokane in relation to the Utility Fund Expenditure Policy. Changes to be made are adding "Boards" to 2.0 and removing same from the following list and rewording 3.2 to state "Capital Improvements consistent with the Utility Agreement are the most likely candidates for the use of the utility dollars."

Motion 1:

Ross Kelly motioned to approve, as discussed with changes, to move forward to the Board

Andy Dunau seconded

Motion passed unanimously

2. Refinancing of 2005A LTGO Bonds

Ms. Traver advised the Committee to carefully review the figures as they pertain to a loan taken out in 2005 for Sky Ride and Golf in the amount of \$2.4 million dollars which only interest has been paid on over the last 10 years. Mr. Gavin Cooley, Finance Director, stated that this loan can be refinanced. The purposed work sheets compare terms of 10 and 15 years. Sari Luciano went over the terms and interest rates. Mr. Leroy Eadie further explained that we are able to incorporate this into the 2016 budget without having to tap into the fund balance or special accounts. Mr. Eadie also stated that if approved, this will need to move forward to the City Council for approval.

Motion 2:

Ross Kelly motioned to recommend board approval of the refinance of our current Park debt, using the 10 year term amortization at 2.4% interest and moving on to the City Council for approval.

Ken Van Voorhis seconded

Motion passed unanimously

3. Recommend 2016 Budget to the Park Board

Ms. Luciano went over the 2016 Budget for the Park Fund including expected expenditures and revenues. Park Fund portion of the ACA (\$393,000) is accounted for in this budget as well as overhead costs associated previously under Integrated City Account and the Rotary Fountain Cafe. The Golf Fund Budget also includes their portion of the ACA (\$166,000) and additional \$15,000 in marketing expense. Conversation continued around the Golf Courses and positive outlook for 2016.

Motion 3:

Ross Kelly motioned to approve forwarding the 2016 Park and Recreation Budget to the Park Board for approval

Ken Van Voorhis seconded

Motion passed unanimously

Chris Wright shared his support of the budget as well as his concerns regarding exempt positions and the way City Administration has approached them. Mr. Wright continued by recalling that the Parks Department was converted to a Division a couple years ago to allow several exempt positions. Although he agreed that the intent was in good faith, he had concerns with regards to City Administration using these exempt positions as an opportunity to fill with political appointments by the

current or any Mayor. Mr. Wright feels that this year has amply demonstrated his concerns are reality. Mr. Wright gave two examples where he feels the City Administration used this opportunity of exempt process to serve some kind of agenda that is not in the best interest of the citizens of Spokane or the Parks Department. Assurances were given that hiring the Marketing/Communications Manager would be an open process and that the Board would participate as it has in the past. Mr. Wright expressed his reservations that this is in Mr. Eadie's control but will rely on that representation and vote for the budget. He feels that there is not a lot of options when it comes to influencing the hiring/firing of individuals in exempt positions, and the only opportunity the Board has is through the fiscal responsibility that money is properly spent. Mr. Wright expressed his expectations that for the upcoming budget year, the Board will have the opportunity to participate in the hiring of a Marketing/Communication Manager and requests that the current search for a Riverfront Park Director position be suspended and select the initial individual chosen/recommended by the Riverfront Park Director Selection Committee.

Clarification was requested by Mr. Eadie, asking if Mr. Wright, as President, was going speak to the Mayor or if he was asking the Board to pass a resolution. Mr. Wright asked that the Director consider it, but that the Director shouldn't feel obligated unless the Board feels the need. A question was brought forward as to why this has been brought up in the Finance Committee Meeting and was explained that positions come through the Finance Committee. Additional conversation revolved around the process of hiring exempt positions and where there might be changes allowing more of the Boards' involvement.

Discussion Items:

1. 2016 City Budget

Mr. Eadie briefly went over the 2016 City Budget that was presented by the Executive Branch showing the General Fund at 22% overall budget.

Standing Report Items:

1. September Financial Report – *Sari Luciano* started off by going over the Urban Forestry annual budget stating favorable revenue as well as expenditures. Recreation shows unfavorable revenue and expenditures due to weather issues. With Riverfront Park, although expenditures show favorable, revenue was not; again due to weather issues but overall revenue less expenditures show as favorable. Park Operations show both revenue and expenditures as favorable. With Administration, we're pretty much on par. The Interfund Services covers the savings in 2016 for the overhead costs associated with the accounting positions we were paying for in centralized accounting. The Golf Fund shows favorable revenue and unfavorable expenditures but overall revenue less expenditures shows favorable. Park Fund shows revenue as unfavorable, expenditures favorable and overall favorable. Possible discussion regarding Revenue Stabilization Fund at the next Finance Committee meeting. The Park Cumulative Reserve Fund balance is \$2,619,954.94
2. Riverfront Master Plan Finance – *Leroy Eadie* handed out the monthly tracking of where we're at on spending bond dollars showing a balance of just about \$62.5 million dollars.
3. Information Technology Project Plan Update – was not discussed. Attachment is included.
4. 8% General Fund Contribution to Parks – Revenue v. Expenditure – no update.

Contract Items from Other Committees: This item was not discussed.

1. Coeur d'Alene Park Mast Plan Adoption – Land Committee
2. Pool Chemicals Value Blanket for \$85,000; Oxarc – Recreation Committee

Meeting adjourned at 5:00 p.m.

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