



Special Meeting of the Spokane Park Board Finance Committee Minutes

Tuesday, February 6, 2018, 3:00 p.m. – 5:00 p.m.

City Hall Conference Room 2B

808 W. Spokane Falls Blvd., Spokane, Washington

Mark Buening - Finance Director

Committee Members:

X Chris Wright – Acting Chairperson

Sumner, Nick *absent*

Gilman, Greta *absent excused*

X Salvatori, Steve *call-in*

Fagan, Mike - Council Liaison *absent*

Additional Park Board:

Guest(s):

Parks Staff:

Leroy Eadie

Mark Buening

Megan Qureshi

Jon Moog

Jennifer Papich

Al Vorderbrueggen

Garrett Jones

Jason Conley

Fianna Dickson

Summary

1. Reserve policy, and major equipment replacement and reserve procedure. A consensus was taken to have \$300,000 as a starting balance, to consolidate with fund balance reserve policy and move forward to Park Board for approval.
2. Fund Balance Reserve policy amendment. A consensus was taken to change the park fund 1400 fund balance reserve in the financial plan from 7% to 5% and move forward to Park Board for approval.
3. Spokane Investment Pool loan request resolution/Golf capital improvements (\$7.5 million). A consensus was taken allowing \$2.5 million draw in 2018 with additional draws as needed up to the full \$7.5 million to be paid back by revenues from a capital improvement fee and move forward to Park Board for approval.
4. Golf/Park Ops pesticide value blanket. A consensus was taken to approve the Golf/Park Ops pesticide value blanket not to exceed \$195,000, with tax, and move forward to Park Board.
5. List of reserve account in Fund 1950. Mark Buening explained that the attachment is intended to give the description, source and intended expenditure of each general reserve accounts that we have in the fund 1950, Parks Cumulative Reserve Fund. It was noted an amendment was needed regarding the item listed as Reserved for Property Donations.
6. Preliminary 2017 Year-end financials. Overall we expended about \$1.4 million dollars more than what was brought in. As of yesterday, we have exceeded our 7% fund balance by about \$38,000. There are still additional year-end adjustments that will occur but once the final figures are in, the budget should be very close to being balanced. If needed, any amount used from the revenue stabilization reserve is expected to be pretty small.
7. Information Technology. Jason Conley will give a technology version on the technology report for our new point-of-sale at Park Board on Thursday.

The next regularly scheduled meeting is March 6, 2017, at 3:00 p.m. in **City Hall Conference Room 2B**

MINUTES

The meeting was called to order at 3:00 p.m. by Acting Chairperson, Chris Wright. Introductions were made.

Action Items:

1. Purposed Reserve policy, and major equipment replacement and reserve procedure. Mark Buening explained that this basically dictates the overall policy and procedures for setting up a reserve account within Fund 1950, Park Cumulative Reserve Fund, for repair or replacement of large capital assets that is required for the operation of Parks and Recreation facility as being necessary by the Park Board. If approved by Finance Committee and by Park Board, there will need to be a special budget ordinance (SBO) to transfer funds from 1400 to 1950. Exclusions and inclusions have been stipulated but the appropriate balance to transfer needs to be discussed. Estimating about \$300,000 as the initial starting balance for this reserve account. It was discussed that this be consolidated with the reserve fund policy. Leroy Eadie will meet with Pat Dalton, in our Legal Department, to see if the two can be written up in a new format prior to Park Board meeting on Thursday.

MOTION 1:

A consensus was taken to have \$300,000 as a starting balance, to consolidate with fund balance reserve policy and move forward to Park Board for approval.

2. Fund Balance Reserve policy amendment. Discussion took place simultaneously with action item 1 above.

MOTION 2:

A consensus was taken to change the park fund 1400 fund balance reserve in the financial plan from 7% to 5% and move forward to Park Board for approval.

3. Spokane Investment Pool loan request resolution/Golf capital improvements (\$7.5 million) was covered and discussed in depth. Jason Conley covered what took place during the Golf Committee Meeting, adding that the motion had passed. Mr. Conley will meet with Gavin Cooley, City Finance Director, for the final figures prior to Park Board meeting on Thursday.

MOTION 3:

A consensus was taken allowing \$2.5 million draw in 2018 with additional draws as needed up to the full \$7.5 million to be paid back by revenues from green fees that will increase incrementally for the first couple of years and move forward to Park Board for approval.

4. Golf/Park Ops pesticide value blanket. Jennifer Papich explained that this covers the various ground chemicals used throughout Parks and Golf. Mr. Vorderbrueggen stated that typically this is done every year, asking for approval of the value blanket not to exceed \$195,000 which is paid for from multiple funds such as Golf, Operations, Urban Forestry and Recreation Facility. Mr. Vorderbrueggen also explained that when it comes to purchasing a chemical, the department needs to purchase from the lowest line item on the spreadsheet.

MOTION 4:

A consensus was taken to approve the Golf/Park Ops pesticide value blanket not to exceed \$195,000, with tax, and move forward to Park Board.

Discussion Items:

1. List of reserve accounts in Fund 1950 – Parks Cumulative Reserve Fund. Mark Buening explained that the attachment is intended to give the description, source and intended expenditure of each general reserve accounts that we have in the fund 1950, Parks Cumulative Reserve Fund. Most of the items are specific in nature including the rotating funds. Depending on the approval of the Board, it will also include the major replacement and repair. Mr. Eadie stated that we will start attaching this the 1950 quarterly which is a great way to orient new board members to help them understand what's in those reserve accounts. Chris Wright suggested going through this during the Park Board meeting as well. After some discussion, it was noted an amendment was needed regarding the item listed as Reserved for Property Donations.

Standing Report Items:

1. Preliminary 2017 year-end financials were given by Mark Buening. Mr. Buening expects the year-end financials to be in flux until the first part of March. It was agreed to skip the individual funds and go to the Park Fund 1400 roll-up. Overall our revenues were down about \$1.2 million dollars from last year, expenditures were less by about \$722,000, and capital outlay was about \$1.2 million dollars more than last year. Overall we expended about \$1.4 million dollars more than what was brought in. As of yesterday, we have exceeded our 7% fund balance by about \$38,000. There are still some adjustments, such as revenue from FEMA, that need to be posted but reasonably confident that once the final figures are in, the budget will be very close to being balanced. If needed, any amount used from the revenue stabilization reserve should be pretty small, and will be replenished in 2018.
2. Information Technology Project Plan update. Jason Conley had planned to give a technology version on the technology report for our new point of sale but due to only one Finance Committee member present, it was suggested to present it during the Park Board meeting instead.

Contract Items from Other Committees: These items were not discussed.

1. Hill International contract amendment #5 (\$103,776)
2. T. LaRiviere change order #9/Howard Street Bridge South (\$30,397.83)
3. NAC construction administration/Looff Carrousel (\$28,900)
4. Contractors Northwest Inc. change order #16/Recreational Rink (\$12,387.23)
5. Coeur D'Alene Park Entrances (re-bid) (\$114,675.20 including tax)
6. Meek Architects Amendment (\$7,500.00)

Meeting adjourned at 3:53 p.m.

The next regularly scheduled meeting is March 6, 2017, at 3:00 p.m. in **City Hall Conference Room 2B**.

CITY OF SPOKANE PARK BOARD

RESOLUTION

A Resolution from Spokane Parks and Recreation Board of Directors, requesting a loan from the Spokane Investment Pool (SIP) in the amount of \$7,500,000 to upgrade four City golf course irrigation systems and other on-course and off-course improvements over the next 5 years.

WHEREAS, Spokane Parks and Recreation owns and operates four municipal golf courses open to the public, and

WHEREAS, after several decades of continuous operation, each City course is in need of major capital improvements, and

WHEREAS, the quality of the golf experience is directly correlated to course conditions, and

WHEREAS, Golf is operated as a City Enterprise Fund and must recover 100% of all expenditures each year, and

WHEREAS, Green fees paid by each golf participant account for Golf Fund revenues, and

WHEREAS, the Park Board desires to improve the condition of each course and improve the opportunity for additional revenue sources through both golf and non-golfing opportunities, and

WHEREAS, the Golf Fund is hiring a Golf Manager who will work with Staff and the Park Board to seek out additional revenue funding sources by jointly creating a golf strategic plan that will explore sponsorships, event marketing, golf, and non-golf revenue activities at each course, and

WHEREAS, the Park Board along with Staff will commit to review all Golf Fund expenditures and determine if the Park Fund is incorrectly appropriating internal expenditures to the Golf Fund, and

WHEREAS, the Park Board will commit to review all Park Fund revenues and determine if the Park Fund is correctly appropriating the proper pro rata share of revenues to the Golf Fund, and

WHEREAS, Parks and Recreation has established a golf facility impact fee, earmarked to repay the SIP loan over the next 15 years of debt service, and

WHEREAS, construction will start in the fall of 2018, commencing with the installation of new irrigation system at Indian Canyon golf course, along with the design of a new irrigation system at Esmeralda golf course, and

WHEREAS, the Park Board is requesting a \$7,500,000 SIP loan, with the first installment to be issued in 2018 at the amount of \$2,500,000 with future loan draw requests coming in the form of annual Resolution, with the flexibility to adjust the schedule of borrowing, within the total amount stated above.

NOW THEREFORE, IT IS HEREBY RESOLVED that the Park Board request a loan from the Spokane Investment Pool (SIP) in the amount of \$7,500,000. This loan will be repaid over a 15 year term, with facility impact fees attached to the green fees associated with each round of golf. The 2018 loan installment will be in the amount of \$2,500,000. The Park Board, by way of Resolution, will request future loan amounts with the total loan not to exceed \$7,500,000.

Dated this ____ day of February 2018.

Park Board President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

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