



**MINUTES OF COMMITTEE OF THE WHOLE
BOARD OF PARK COMMISSIONERS**

June 18, 2018

PRESENT: Andrea Smith, President
Aaron Pointer, Clerk
Erik Hanberg,
Tim Reid

ABSENT: Jessie K. Baines, Jr.

PLACE: Metro Parks Tacoma Headquarters

The meeting was called to order by President Smith at 5:30pm.

APPROVAL OF MINUTES

May 29, 2018 Committee Of The Whole

Commissioner Pointer moved to adopt the minutes as presented; seconded by Commissioner Hanberg. The minutes passed on a vote of 4-0 (Commissioner Baines being absent).

2019-20 Biennial Budget Process

Shon Sylvia opened the meeting by stating that this year's budget process will including Board touch points earlier and a bit more often than in past budget years. CFO Erwin Vidallon commented that the meeting tonight will inform the Board of the budget development process, increase awareness of factors influencing the budget development, and solicit feedback and guidance from the Board.

Mr. Vidallon then showed a budget process flow chart that highlighted several milestones of the process. He noted that the budget calendar (*distributed*) and major budget assumptions about revenue and expenditures started in April and continue to be discussed through July. July through October will include budget development with departments. During this time the CIP will also be developed. Staff also plans to conduct preliminary budget discussions with the Districts advisory councils, the Board and the Zoo Trek Authority. October through November will include budget workshops and various public hearings required in order to consider and approve the budget. Adoption of the budget will occur during the Board meetings in November and December.

Mr. Vidallon then commented on the preliminary 6-year budget forecast noting the following revenue drivers and assumptions:

- Sales Tax – 6% increase year over year (General range for consideration is 4% - 6%); 4% last four years
- Property Tax – 4% increase year over year (average 3-years of actual earnings)

- Earned Revenue – 2% (admissions, program fees, rentals, leases, etc.)
- Zoo/Trek Attendance (5-Year average, plus incremental increase for specific attraction openings)
- Recreation Program Attendance
- Golf Course and Marina Attendance

Expense Drivers and assumptions highlighted by staff included:

- General inflation
- Utility rate changes
- Medical and Dental rate changes
- Group life insurance rate changes
- L&I rate changes (workers comp)
- Pension rate changes
- Unemployment
- Federal rate changes such as Social Security, Medicare, etc.
- CPI increases for City of Tacoma MOU's
- Biennialization of partially funded programs/services due to facility/attraction openings
- Specific compensation adjustments related to the execution of the Labor and Management Contract
- District-wide salary adjustments related to merit, performance and/or COLA

In the 19-20 biennium the Executive Director areas of focus will include:

Equity, Diversity and Inclusion; Board & Advisory Councils Development; Sustainable Revenue Development; Agency Re-organization, Succession Planning and Workforce Development; Partnerships. Mr. Vidallon then spoke about the key financial District policies commenting that policies are currently under review by staff as part of our CAPRA re-accreditation process. Staff anticipates refinements, including applying an “equity lens” to the District’s financial policies. Staff commented that achieving greater equity requires more than just adjustments to the pricing pyramid but also near-term adjustments where appropriate to better reflect the District’s commitment to diversity, equity & inclusion. Staff will return with policy recommendations to the Board as part of a more comprehensive effort to better reflect these values District-wide.

Mr. Vidallon stated that the Comprehensive Financial Management Policy addresses policy decisions having significant fiscal impact. The policy also sets forth operating principles to minimize the cost of government and financial risk. From a Budget Development standpoint, staff ensures that revenue policies are balanced and fair. The policy supports appropriate financial capacity for bonded indebtedness for present and future needs and promotes sound financial management by providing accurate and timely information on MPT’s financial condition. To ensure the authorized and legal use of financial resources through an effective system of internal controls. In addition, the policy promotes cooperation and coordination with other governments and the private sector in the financing and delivery of services. Lastly, it protects the District’s credit rating. Mr. Vidallon commented that key policy elements include:

- develop and update 6 year financial forecast

- Adopt a balanced biennial budget
- Maintain a diversified & stable revenue system
- Avoid dependence on temporary or unstable revenue to support ongoing services
- Invest public funds with maximum security & highest rate of return
- Meet daily cash flow needs

The Board was then reminded about that The Capital Improvement Planning and Budgeting Policy. Staff stated that the Capital Improvement Planning and Budgeting Policy guides the development of planning and budgeting long-range plans, such as the 6-year Strategic Master Plan and the 6-year Capital Improvement Plan. It also establishes when approval from the Board is required, and delegates authority to the Executive Director to develop procedures to implement policy directives of the Board.

The Cost Recovery and Pricing Authority Policy was then reviewed. Mr. Vidallon stated that the policy delegates authority to the Executive Director to price programs and services provided by MPT in a manner that benefits the public to the highest degree while preserving the fiscal integrity of MPT. The policy also sets the philosophy that programs and services with a higher individual benefit will have higher cost recovery rates, and programs or services with a higher community benefit will have lower cost recovery rates. Through this policy, the Board directs the Executive Director to utilize the Cost Recovery & Benefit Pyramid to identify minimum levels of cost recovery rates for various program delivery methods. Commissioner Smith requested that additional discussion about how changes the pyramid and waiver program work together, as well as placement for non-profit organizations.

Mr. Vidallon commented that next steps induced the following touch points:

June 18- C.O.W.- Process overview
 July 26 -Park Board Retreat
 September- Board and Advisory Council Budget Workshop
 October 10- Advocacy Summit (Advisory Councils/Foundations)
 October 22- Budget Study Session
 Nov 5- C.O.W.- Executive Director recommended work plan
 Nov 13- Park Board Public Hearing #1
 Nov 14- Joint Mtg. w/ZTA (tentative)
 Nov 19- C.O.W. (if needed)
 Nov 26- Park Board Public Hearing #2
 Dec 10- Final Adoption

OTHER

Commissioner Pointer requested future dialogue regarding youth athletic programming. Commissioner requested additional information about Tacoma Creates. Commissioners inquired as to the opening of Wilson Way. Staff indicated they are working with the contractor on site regarding dates for substantial completion and opening.

Commissioner Hanberg commented that the Board might want to consider working on language for the next Board meeting relative to the sale of the Portland Avenue Community Center. Mr. Sylvia commented that staff will draft language for the Board's consideration

ADJOURNMENT

Being no further business, President Smith adjourned the meeting at 6:55 p.m.

APPROVED:

President

Clerk

Submitted by:
Jennifer Bowman, Secretary