OBJECTIVES

• To understand the magnitude of MPT financial situation and discuss our approach for financial recovery

• To increase awareness understanding for the:
  1) immediate and swift actions taken + discuss criteria utilized in emergency status;
  2) stabilizing and phasing operations in 2020 with financial and public safety/ wellness constraints; and
  3) context of how today’s announcement by Governor Inslee relates to MPT’s criteria

• Frame policy issues for future Board direction to inform recalibration of a park system in 2021 and beyond.
BRIEFING OVERVIEW

• COVID-19 Status & National/Local Trends

• Economic Outlook & MPT Operation Impact
  • MPT Financial Forecast/ Actions (Erwin)
  • MPT Emergency Operational Impact/ essential v non-essential (Alan/Marina/Debbie)
  • Intergovernmental Opportunities- Federal/State/s/local (Joe)

• Road to Recovery
  • Park Stabilization Drivers + Short-term recovery criteria (Shon/Debbie)
  • Recalibrating the Park System for the Future + Policy Exploration (Shon/Pete)

• Next Steps
STATE AND COUNTY COVID-19 CASE

• State & County Snapshot *(Data as reported to Washington State Department of Health as of 4.26.2020)*

<table>
<thead>
<tr>
<th>State vs. Pierce County</th>
<th>Positive Cases</th>
<th>% Positive of those tested</th>
<th>Deaths</th>
<th>% of deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Wa</td>
<td>13,521</td>
<td>7.70%</td>
<td>749</td>
<td>5.50%</td>
</tr>
<tr>
<td>Pierce County</td>
<td>1,244</td>
<td>9.50%</td>
<td>46</td>
<td>3.70%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cases</th>
<th>Population</th>
<th>% of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pierce County</td>
<td>1,244</td>
<td>904,980</td>
</tr>
</tbody>
</table>

CONFIRMED CASES *(Data as reported to Washington State Department of Health as of 4.25.2020)*

• “Epidemiologic curve”- Progression of the outbreak in Pierce County by cases over time
• Date of onset- when the person began to feel sick- important measure in determining incubation period (the time it takes between when a person is exposed and when the person began feeling sick)
COVID-19 RESPONSE GUIDELINES

• **Federal Guidelines:** Proposed “gating criteria to be satisfied before proceeding to phased opening” - Downward trajectory of cases or positive tests as a percent of total tests within a 14 day period

• **State Recovery Framework:**
  • Three leadership groups to be formed to advise on key public health and economic factors
  • Return to public life:
    • Measured steps, guided by science, informed by public health
    • Ability to mitigate impacts
    • Community response

• **TPCHD:** Three critical elements affecting the speed at which “the dial can be turned up”
  1) Increase capacity for case and contact investigation (contact tracing);
  2) Increase access to testing throughout the community;
  3) Support safe isolation and quarantine for residents who need it
Proposed COVID-19 Recovery Plan Framework for Public Parks and Recreation Providers

- Multi-state collaboration (WA, OR, CA, ID, CO, UT, AZ, NV)
- Pledges commitment to public health guidance
- Emphasizes parks and recreation as low cost & effective public health interventions
- Seeks support to restore certain park and recreation activities and operations
  - early priority for consideration- summer camps, hiking, fishing, boating, kayaking, and golf- practicing social distancing;
  - restore recreation programming
  - support for PPE and safety equipment/supplies
  - relief funding to retain staff

COVID-19 RESPONSE STATUS
ECONOMIC OUTLOOK & MPT OPERATIONAL IMPACT

• National Overview

• Fund Distribution: understanding MPT revenues

• Revenue Shortfall Assumptions– $13M property tax, sales tax & earned revenue impacts

• Rebalancing Resources: potential savings from actions

• MPT Operational Impact: criteria to move into essential to non-essential

• Intergovernmental opportunities for collaboration and relief
Summary

- The economic impact of the COVID-19 pandemic thus far has been swift and severe.

Key Recent Economic Data

- Unemployment - As of the week of April 11, over 22 million unemployment had been filed.
- Consumer Sentiment - On April 9, the University of Michigan’s consumer sentiment figure was reported at 71.
- Retail Sales - On April 15, the US Bureau of the Census’ Monthly Retail Trade Survey showed a decline of 8.7%.

Forward Projections

- Estimates for GDP growth, unemployment, etc. vary widely.
- Worst recession since the Great Depression.
- IHS Markit’s projections:
  - Baseline scenario - GDP dropping 5.4% and a peak unemployment rate in Q4 of 2020 at 10.3%;
  - Pessimistic scenario - GDP drops 14.9%, and the unemployment rate peaks at 22.2% in Q3 of 2020.
WHERE THE MONEY COMES FROM

District Operating Revenue* 44%
Earned Revenue 44%

Donations - Foundation 2%
Donations - Private 1%

City of Tacoma 5%
Intergovernmental Funding 1%

Sales Tax 20%

Transfer In/Out Overhead Allocation 1%

Property Tax 27%

$128,482,670

*Does not include fund balance
REVENUE SHORTFALL PROJECTION - March thru August

TOTAL DISTRICT-WIDE REVENUE SHORTFALL IMPACT

<table>
<thead>
<tr>
<th>Fund</th>
<th>Total Revenue Shortfall</th>
<th>% of Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$4,246,498</td>
<td>33%</td>
</tr>
<tr>
<td>Point Defiance Marina</td>
<td>$405,730</td>
<td>3%</td>
</tr>
<tr>
<td>Meadow Park GC</td>
<td>$683,775</td>
<td>5%</td>
</tr>
<tr>
<td>ZEED</td>
<td>$7,556,402</td>
<td>59%</td>
</tr>
</tbody>
</table>

Total Budget (March - Aug) $34,260,180

$12,892,405
REVENUE SHORTFALL PROJECTION AND ASSUMPTIONS - Property Tax

Assumed 15% reduction each month from March to August
REVENUE SHORTFALL PROJECTION AND ASSUMPTIONS - Sales Tax

Shortfall Assumption:
- March: 15%
- April: 30%
- May: 30%
- June: 30%
- July: 15%
- August: 15%
REVENUE SHORTFALL PROJECTION AND ASSUMPTIONS - Earned Revenue

Shortfall Assumption:
- March: 50%
- April: 100%
- May: 100%
- June: 75%
- July: 50%
- August: 25%
REVENUE SHORTFALL PROJECTION AND ASSUMPTIONS - Total Revenue

COVID-19 SHORTFALL - TOTAL REVENUE

<table>
<thead>
<tr>
<th></th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$4,296,436</td>
<td>$9,518,223</td>
<td>$5,094,035</td>
<td>$4,549,451</td>
<td>$5,318,328</td>
<td>$5,234,692</td>
<td>$34,011,166</td>
</tr>
<tr>
<td>Forecast</td>
<td>$3,334,924</td>
<td>$6,371,160</td>
<td>$2,149,265</td>
<td>$1,940,534</td>
<td>$3,263,877</td>
<td>$4,059,004</td>
<td>$21,118,764</td>
</tr>
<tr>
<td>Projected Reduction</td>
<td>$(961,512)</td>
<td>$(3,147,063)</td>
<td>$(2,944,771)</td>
<td>$(2,606,917)</td>
<td>$(2,054,451)</td>
<td>$(1,175,688)</td>
<td>$(12,892,402)</td>
</tr>
</tbody>
</table>

*Total Revenue includes Intergovernmental Revenue and Transfers
STEPS TAKEN TO CONTROL EXPENDITURES

**Effective March 23rd:**
- Phased closure of facilities, operations and postponement of programs
- All recruitment and hiring frozen
- No overtime usage
- No new contracts
- All existing service contracts put on hold or significantly pared down
- Only essential purchases of supplies and materials
- No new equipment purchases
- All business travel halted
- All essential purchases will require Director approval

**Effective April 1st:**
520 Part-Time Staff Laid Off

**Effective April 16th:**
Management & Leadership Furlough reduction in salaries

**Effective April 18th:**
148 Career Full-time and Part-time benefited are furloughed (85 Non-represented and 63 Represented) through June 30th
### RESOURCES FOR BALANCING

#### March thru June 30th Estimated Savings

<table>
<thead>
<tr>
<th>ACTIONS</th>
<th>ESTIMATED SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Reduction &amp; Furlough</td>
<td>$1,026,000</td>
</tr>
<tr>
<td>Part-Time - Layoff</td>
<td>$1,476,000</td>
</tr>
<tr>
<td>Hiring Freeze - Vacancies</td>
<td>$701,000</td>
</tr>
<tr>
<td>Utility Usage Reductions</td>
<td>$557,000</td>
</tr>
<tr>
<td>Deferral and/or Reduction of Service Contracts</td>
<td>$308,000</td>
</tr>
<tr>
<td>Use of Fund Balance and Reserves</td>
<td>$3,517,000</td>
</tr>
<tr>
<td><strong>TOTAL SAVINGS</strong></td>
<td><strong>$7,585,000</strong></td>
</tr>
</tbody>
</table>
7 Criteria for Essential & Non-Essential:

- Animal and plants
- Safety and security
- Incident response
- Continuity of government
- Maintaining and repairing critical utilities
- State/County request for assistance
- Primary business support for essential functions
MPT OPERATIONAL IMPACT

MPT essential functions:
• Emergency childcare operations
• Animal welfare and plant care
• Grounds maintenance for safety
• Major maintenance to preserve public safety & building assets
• Key business operations to support essential services

22% of MPT’s staff retained, currently performing essential functions on-site and virtually

MPT non-essential functions:
• Facilities closed
• Restrooms closed
• Parking lots closed
• Park amenities closed (e.g. play structures, skateparks, picnic shelters)
• Programs suspended
• Capital design and development under review case by case
• Construction projects suspended
INTERGOVERNMENTAL OPPORTUNITIES

• Federal & State Assistance
  • CARES Act: Pierce County - $157 M
    • Staff leadership & political engagement is key
  • Stimulus Legislation v 4.0
    • Partisan environment for state and local relief
  • WA State Budget – 2020 Special Session is likely

• Advocacy Initiatives
  • NRPA, City Parks Alliance, Trust for Public Land,
  • Western states collaboration – WA, OR, CA, CO, NV, ID & others

• Local Partnerships
  • City of Tacoma (JMAC, ICC)
  • Tacoma Public Schools
Park Stabilization Drivers + Short-term recovery criteria

• Understanding the immediate need/Demand management

• MPT fiscal/timing restraints; while balancing community need

• Criteria and process for short-term recovery

Recalibrating the Park System for the Future

• Revisiting our thinking and setting a bold new vision

• Policy Exploration
MPT ROAD TO RECOVERY
A Conceptual Model for Re-Open

Spring 2020

Closure
- Community Centers
- Pools
- Programs
- PDZA & NW Trek

Essential Services
- Animal & Plant Care
- Minimal Park Maintenance
- Emergency Childcare
- …and more!

Summer & Fall 2020

Re-Open/Ramp-Up

Gradual & Progressive Stabilization Scenarios

Winter 2021

“New Normal”
- Likely budget reductions
- Potential long-term public health restrictions.
PARK SYSTEM STABILIZATION: Phased Reactivation for Summer/Fall

Considerations:

Public Health/Governmental Guidance

• Governor's phased-in reopening guidelines;
• Restrictions could ebb/flow

Re-evaluation of Community Priorities:

• Understand community priorities to guide reactivation of vital services
  o Park, Venues & Attractions, Programs & Services
• Use data (surveys/industry trends etc.) to identify highest needs

Financial Health of District:

• Sequence affected by financial constraints, budget projections and political filters
• Current staffing affects timing of reactivation: likely lag time between State decisions & park/venue opening
PARK SYSTEM STABILIZATION CRITERIA

Examples

Outdoor Recreation
- Fishing/Boathouse Marina & Launch
- Golfing
- NW Trek Wildlife Park
RECALIBRATING THE PARK SYSTEM: 2021 and Beyond

Re-evaluating a longer-term strategic direction

• Rethinking our Strategic Plan and Level Of Service plan
• NRPA and parks and recreation industry on re-inventing government
• Public partners re-defining community opportunities
• Re-setting the 2021-22 Budget Process
FUTURE POLICY & BOARD STUDY SESSIONS

- Criteria for capital program & economic engine for the recovery
- Cost Recovery expectations & understanding bottom of pyramid
- Staffing models and partnerships with Foundations/Non-profits
- Resetting core responsibilities with COT and other public partners
- Revisiting financial policies- reserve levels, realignment of designated expense & enterprise funds
- Mid-year budget update/December 2020 forecast
NEXT STEPS

- MPT strategic workshops & collect community data

- Plan presented to reopening parks and assets as part of our Park Stabilization Plan; review capital program

- JMAC and boards position in recovery

- Strategic Direction + 2021-22 Budget Process: recalibrating the park system scope & critical path

Proposed Dates

- April-June
- May 11 Study Session
- May 18 COW
- June 8 Study Session
QUESTIONS/DISCUSSION

• Are there elements to what has been shared that give you pause?

• How do you see your advocacy role in the months ahead with JMAC, State, etc?

• What additional information do you desire to remain informed and more prepared to advocate on MPT’s behalf?