



**MANDAN PARK BOARD
ANNUAL BUDGET RETREAT**
July 18, 2022
PARK ADMIN OFFICE

Attendees:

Park Commissioners:

President Meschke, Commissioner Mudder and, Commissioner Scott.

Park Staff:

Director Higlin and Accounting Manager Welch

1) 2022 Mid-Year financial recap

- a. Accounting Manager Welch provided a summary of the past six months' operating budget of the district. Accounting Manager Welch stated that there are no concerns at this time. General Fund revenue is \$1 million short of our budget and expenses are under budget by \$3.4 million. All funds total revenue is \$6.4 million, and expenses are \$3.6 million.
- b. State Aid Distribution & Property Tax collection ytd is \$230,000 with two quarters remaining to collect.

2) 2023 Budget Summary

- a. Board policies –

1. Vision Fund Update (effective July 19, 2020):

Director Higlin updated the board on the purpose of the Vision Fund. The purpose of the Vision Fund is to designate restricted funds for future long-term repairs to Park District facilities. These funds will be dedicated to a specific facility or project that requires board approval prior to expending these funds. Currently, the following revenue sources are deposited in the Vision Fund:

1. Naming rights for Starion Sports Complex from Starion Financial.
2. Naming rights for the track from Gangl Hospitality.
1. All the field rentals at Veterans Memorial Ballpark at BNC Field per the agreement with the MBC for turf replacement.

2. General Fund Balance: NDCC 15-15-27 limits year-end carryover fund balances to 75% of the current annual appropriation other than debt retirement. The Park Administrative Portfolio recommends a minimum unrestricted cash balance of 30% of general fund operating expenses as a guideline. In order to deficit spend below 30% it requires a roll call vote of Park Commissioners to expend these dollars.

	Revenue	Expense
General Fund	\$45,995,000	\$5,987,950
Special Assessment	\$ 172,200	\$ 172,200
General Obligation Bond	\$ 105,000	\$ 105,000
Capital Improvement	\$ 569,750	\$ 650,400
Raging Rivers	\$ 697,100	\$ 772,700
Refunding Bonds	\$ 250,000	\$ 250,000
Construction Fund	\$ 51,400	\$ 51,400
Vision Fund	\$ 62,500	\$ 0
Total All Funds	\$7,902,950	\$7,989,650

2022 Budget highlights:

- Two new positions:
 - Golf
 - Parks/SSC shared
- Cost Of Living Adjustment (COLA) 3% - January 1
 - A few employees are receiving a salary adjustment instead of a COLA & merit
- Merit – 2% on anniversary date
- We may potentially have 2 FT employees retiring which includes paying out unused vacation and a portion of sick leave.
- There are some fee increases in recreation programs to offset increase costs
- NDPHIT –awaiting pricing for 2023, budgeted 5% increase
- HSA – Contribution to employees’ accounts: (no change from 2022)
 - \$900 for single plan, \$1300 for all other tiers
 - \$1000 dollar for dollar match
- We have reached the threshold of having over \$50 million in property insured. This has caused our deductible to increase from \$2,000 to \$5,000.
- We anticipate approximately \$15,000 in annual premium to insure the Tennis Center dome
- Includes a request for continuing education reimbursement for 1 full-time employee pursuing a Master’s degree.
- Mill value increased from \$105,535 to \$115,307 (est.)
 - Decrease in General Fund Mills by .71
 - Increase in Special Assessments Fund Mills by .59
 - Increase in G.O. Bond Fund Mills by .94 (New fund and separate levy required by bond for refinanced special assessments)
- Overall increase in mills by .92. (Total Mills 29.21)
- Cost to taxpayer (based on average \$275,000 home)
 - \$11/year increase if their property value was unchanged.
 - \$44/year increase if their property value increased by 9%.
- New Assessments in 2023 estimated totals:
 - Old Red Trail Phase 2 Shared Use Path \$120,000
 - Plainview Street Impr Dist \$17,750

- 16th Street and Parking lot \$2.2M
- Budgeting to pay in full in 2023:
 - I-94 land \$11,944
 - ORT 1806 N Impr Dist \$15,639
- Budgeting a deficit spend of \$80,650 due to the cost of baseball fencing. Will use fund balance reserves.
- Budgeting a deficit spend of \$75,600 due to the refinanced bond (to be paid off in 2025), using fund balance reserves if needed.
- **Total Project Cost: \$3,026,881**
 - Total Funding and pledges secured: \$2,721,025
 - Balance to be responsibility of Mandan Rodeo Committee: \$305,856
 - Park District will be responsible for the interest on the debt (estimated at \$250,000)
- Projected Financing:
 - Approx. \$1M in cash from fundraising, and \$2M loan over 7 years at 3.01%
 - Estimated annual payments of \$321,150 beginning in 2023.
 - Park District will use the current year pledge collections to make the debt payment and pay extra principal payments if the pledges for the year exceed the annual debt requirement.
 - Park District is also budgeting to make an additional \$40,000 principal payment per year in order to reduce the total interest expense on the loan and shorten the term. This will also lessen the financial burden to the Park District in the last few years of the loan when most of the pledge collections will have already been collected and applied against the debt.
- **Total Project Cost to MTC: \$4,107,774**
 - \$3,906,137 – facility
 - \$201,637 – special assessments
 - Total funding and pledges secured: \$595,045
- Projected Financing:
 - \$4M loan over 20 years at 3.215%
 - Tennis Center lease payment amount is equal to the total cost of financing the debt. It is currently projected to be \$275,712/year, or \$22,976/month.
- **Total Project Cost to Park District: \$2,633,174**
 - \$494,276 - grading and pickleball courts
 - \$2,138,898 – special assessments
- Projected Financing:
 - Grading and pickleball courts – pay in 2022 using General Fund reserves
 - Special Assessments – to be paid through the Special Assessments levy over an estimate of 20 years beginning in 2023. Interest rates TBD

Capital Outlay: For 2023 we have a total of \$475,600 in budget requests. These include:

Marketing/Admin:

- | | |
|--------------------|-----------|
| 1. Website Updates | \$ 15,000 |
|--------------------|-----------|

District Maintenance Dept:

- | | |
|---------------------------|-----------|
| 2. Legion Park playground | \$ 90,000 |
| 3. Dump Truck | \$ 40,000 |
| 4. Youth baseball complex | \$280,000 |
| 5. Soccer Well | \$ 20,000 |
| 6. Shingles/fascia/soffit | \$ 25,000 |

7. Demo McClelland property \$20,000

Raging Rivers:

8. New boiler-bathhouse \$10,000
9. Picnic Table replacement \$10,000
10. Tubes/Lounge chairs \$20,000

Recreation/Sports Complex:

11. Parking Lot seal/paint \$10,000
12. Hockey Goals \$10,000
13. MAC van \$35,000

- 3) Accounting Manager Welch presented the general fund five-year projections and recommended approval to pay off the Starion Sports Complex land loan two years early. Motion by Commissioner Mudder and seconded by Commissioner Scott to approve paying off the Sports Complex land loan in 2022.
- 4) Director Higlin requested approval to restrict an additional \$167,000 for the girl's fast pitch project at Faris Field. We restricted \$333,000 of which \$45,000 was used for demolition of the site, \$5,000 was used to update the master plan.
- 5) Direction on mill valuation/increase
 - a. Accounting Manager Welch presented information on the current year mills and property tax dollars levied, along with projections for the 2023 budget year. The estimated value of 1 mill for 2022 is \$115,307, which is an increase from the prior year's mill value.
 - b. For the 2023 budget, it was recommended that reduce the general fund mill by .71 and reallocate it to special assessments for the upcoming assessment for 16th Street and parking lot. We are recommending increase .94 mill for the general obligation bond levy for the refinancing of special assessments. Total mills in 2022 was 28.29 and 2023 is 29.21 or a .92 increase.
 - c. The financial impact to taxpayers owning a \$275,000 home with no valuation increase, is an increase in park property taxes of \$11. With a 9% valuation increase as proposed, the impact is \$44.
- 6) Motion by Commissioner Scott and seconded by Commissioner Mudder to approve the 2023 preliminary budget, accepting the valuation increase and setting the public hearing date for September 12, 2022. Motion passes 3-0.
- 7) Direction on future sales tax:
 - a. Accounting Manager Welch updated the board on the current sales tax bond payment schedule. We have already paid off the 2016 A-T bond and we only have two payments left on the 2016 B bond which is estimated to be paid off in August of 2023. We will only have one bond remaining, the 2016 A bond which is estimated to be paid off with the current collections by 2033. The original bond was scheduled for 2041 payoff.
 - b. Director Higlin discussed an option former Commissioner Arenz started with the City of Mandan. The idea is that we legally can take out additional bond dollars from the sales tax collections as long as the bond doesn't exceed the current 2041 maturity date and can still make the current bond and the proposed bond. The dollars can only be used for what the original language that was voted on in June 2015. Conceptional ideas included locker room expansion at the SSC, parking lot expansion, and Faris Field ball

diamonds. The current sales tax collections are collecting \$800,000 to \$1 million above the current bond payment. For this to develop, the Park Commissioners would need to approve this option and then present it to the City Commission for final approval. If this is an option that the board wants to explore, we would need to wait until the 2016 B bond is paid off late next fall.

8) Baseball/Fastpitch:

- i. Director Higlin presented the Mandan Baseball Club contract for discussion. Recreation and Facilities Manager Frueh would like to see the following changes to the contract:
 1. The Park District has the control to determine what games or events take place in Memorial Ballpark and if any teams want to schedule long term or a full season that we will solicit the Mandan Baseball Club for their input.
 2. 10% of gross concession sales similar to all of our other contracts.
- ii. McClelland property will become the Park Districts, Oct. 1, 2022. We have \$20,000 in the budget for demolition in 2023.
- iii. Faris Field project with the girl's fast pitch club is back on track and waiting on KLU to provide renderings to assist with fundraising efforts.
- iv. Irrigation Transmission line phase 1 is almost complete and that we do not have anything in the 2023 budget for phase 2. We will continue to monitor the material costs and determine long term what is the best option for the district.
- v. Recreation proposes to move youth baseball day league to the evenings to address dwindling numbers in the day league and coach shortages. We will provide a quality program with volunteer coaches and provide upgraded uniforms.

9) All Seasons Arena is currently staffed by Mandan Public Schools and once the new high school opens, we will need to determine how to staff the facility for rentals and park district use.

10) Aquatics:

- a. Mandan Aquatic Center: Director Higlin shared statistical usage of the indoor aquatic center which averages 5-6 people per day. We will continue to monitor the usage for 2022 and 2023 and use these
- b. Raging Rivers ARPA Grant was awarded to us in February 2022 and redesign of the interior of the operations will start this fall pending approval of bids. The lazy river relining and coping replacement is scheduled for August 21 when the park closes.

11) Future Greenspace and Trail Discussion:

Director Higlin stated that we need board approval to apply for Land & Water Grant for playground and warming house upgrades. In the 2023 budget we have \$90,000 in the capital improvement fund dedicated for Legion Park improvements; these funds were approved as part of the motion to approve

the 2023 budget. Motion by Commissioner Mudder and seconded by Commissioner Scott to apply for the Land & Water Grant for the playground and warming house improvements at Legion Park. Motion passes 3-0.

Director Higlin stated that we are partnering with Morton County and the City of Mandan to complete a comprehensive plan for the car bodies area pending NDDOT approval. We will solicit Rep. Schmidt assistance to secure funding in appropriations to assist with the cost to complete the boat ramp.

12) Staff & Organizational Changes:

- a. 2023 FTE upcoming retirements
 - i. Tony Kalvoda; Golf Operations and Park Operations: Dale Barth TBD
- b. Park Operations and Rec & Facility staff realignment will take place on Sept. 1, 2022. Park Operations Manager Fleck will oversee all maintenance except for golf courses. Rec. & Facilities Manager Frueh will manage all facilities and recreation staff and coordinate all schedules, contracts, invoicing, and community liaison for all facilities.
- c. Foundation is approved and Kelly will be the Foundation Director once she gets back from maternity leave. We will schedule board training for the foundation and hopefully kick on fundraising efforts in 2023.

13) Board Discussion

- a. President Meschke presented a salary study comparison for Director Higlin and recommended an increase retroactive to July 1, 2022, and merit increase in 2023 will be determined. Motion by Commissioner Scott and seconded by Commissioner Mudder to increase Director Higlin salary to \$120,000 retroactive July 1, 2022. Motion passes 3-0.

14) Motion to adjourn by Commissioner Mudder and seconded by Commissioner Scott at 6:47pm, motion passes.

Cole Higlin

Cole Higlin
Director/Clerk

Wade Meschke

Wade Meschke
President