



MANDAN PARK BOARD
2020
ANNUAL BUDGET RETREAT MINUTES
July 20, 2020
PARK ADMIN OFFICE

Attendees:

Park Commissioners:

President Meschke, VP Arenz, Commissioner Hatzenbuhler, Commissioner Mehlhoff, and Commissioner Froehlich.

Park Staff:

Director Higlin and Accounting Manager Welch.

Others:

Damian Huettl and Kurt Miller

President Meschke called the meeting to order at 4:30pm and turned the meeting over to Director Higlin.

1) 2020 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 \$1.4 million short of our budget and expenses are under budget by \$2.5 million. All funds total revenue is \$4.6 million and expenses are \$3.1 million.
- b. State Aid Distribution & Property Tax collection hasn't decreased too much with covid impacting our programs and facilities. We have received two quarters of collections and need to collect \$217,000 for the last two quarters in order to meet our budget amount.
- c. Director Higlin reviewed all funds cash balances with discussion on required fund balance minimums in the General Fund and Capital Improvement Fund.

2) 2021 Preliminary Budget Summary

	Revenue	Expense
General Fund	\$4,769,600	\$4,769,600
Special Assessment	\$ 246,900	\$ 141,000
Capital Improvement	\$ 491,750	\$ 491,750
Raging Rivers	\$ 673,400	\$ 663,900
Refunding Bonds	\$ 174,000	\$ 174,000
Flex Spending	\$ 5,000	\$ 5,000
Vision Fund	\$ 62,500	\$ 0
Total All Funds	\$6,423,150	6,245,250

- a. Highlights of 2021 Budget:
 - i. Budget is for 22 FT employees to receive a 2% raise (1% COLA and 1% merit) and Managers could qualify for an additional 3% for salary adjustments. We currently have two FT positions open that we are going to try and staff with seasonal employees for 2021. These positions are in Accounting and the shared maintenance position between SSC and the Park Shop. These areas will have increases to their part time salary line items.
 - ii. Health insurance rates will increase by an estimate of 15% in July 2021. Total budget in 2021 will be \$390,800. Despite the rate increase, our budget is \$12,000 less in 2021 than 2020 due to having two unfilled FT positions.
 - iii. No matching grant allocation and travel and training has been reduced.
 - iv. Marketing budget was increased \$4,000 to celebrate our 100 year anniversary.
- b. General Fund 5yr. projections:
 - i. The goal of the General Fund is to maintain a cash balance of \$1.5 million. Currently we are projecting the general fund unrestricted ending balance to be \$1.7 million, plus \$375,500 in restricted funds. The 50% of demolition costs of Faris Field in the amount of \$45,000 will be deducted from the \$333,000 restricted for Faris Field. This will decrease our restricted dollars for Faris Field to \$288,000. We also have \$87,500 restricted for park development fees.

3) Capital Outlay

- a. The beginning fund balance in 2020 was \$835,399. Currently have \$125,000 restricted for a new ice resurfacers in 2022. For 2021 we have a total of \$426,150 in budget requests. These include:

Marketing:

- 1. Rebranding the park district logo \$ 15,150

District Maintenance Dept:

- 2. Legion Park Improvements \$121,000

Golf Dept:

- 3. PWGC Rough Mower \$ 65,000
- 4. PWGC reel grinder \$ 45,000

Recreation:

- 5. New Sand for Legion Park VB Courts \$ 15,000
- 6. New Van for MAC program \$ 45,000

Raging Rivers:

- 7. Replace deep fryers for concessions \$ 14,000

Sports Complex:

- 8. Mower \$ 46,000
- 9. Utility Cart/Sprayer \$ 55,000
- 10. Compressor Improvements \$ 5,000

Motion to approve the 2021 preliminary budget by VP Arenz and seconded by Commissioner Mehlhoff. Motion passes 5-0.

4) Special Assessments:

- a. Accounting Manager Teri Welch provided an estimated forecast of special assessments. The south side assessment is impacting the district by \$1.4 million with the balance being added to our account this year, with our first payment due February 15, 2021. 16th Street NE was estimated at \$500,000, but the project has been put on hold as Kupper Chevrolet has decided not to pursue constructing a new car lot at this time. Old Red Trail reconstruction is estimated at \$500,000 and has been postponed by NDDOT to 2021 due to funding limitations. Director Higlin had submitted a request to NDDOT to complete the project in 2021 if funding allows and has not heard anything from NDDOT if they plan on moving forward in 2021. Our current special assessment payment is \$71,833 and is estimated to increase in 2021 to \$140,806 and in 2022 our payment is estimated at \$244,000. It is our recommendation to maintain our special assessment levy of 2.5 mills for the upcoming assessments. If our estimates are off we can address them in 2022 budget process if needed.

5) Direction on mills and tax levies

- a. Accounting Manager Welch presented information on the current year mills and property tax dollars levied, along with projections for the 2021 budget year. The estimated value of 1 mill for 2020 is \$100,771, which is an increase from the prior year's mill value of \$96,922. A year ago, the board approved an increase in mills levied in the Special Assessment Fund due to the significant increase in District special assessments in the near future. At the same time, the General Fund mills were reduced.
- b. For the 2021 budget, it was recommended that we leave our mills the same as last year, but because of the increase in the estimated value of a mill, this would still generate an additional \$131,823 in property taxes for 2021.
- c. The financial impact to taxpayers owning a \$275,000 home with no valuation increase, is no increase in park property taxes.
- d. Motion by VP Arenz to keep the mills levied the same, which is a levy of \$2,164,563 in the General Fund, a levy of \$251,928 in the Special Assessments Fund, and a levy of \$503,855 in the Capital Improvement Fund, for a total levy of \$2,920,346. Seconded by Commissioner Mehlhoff. Motion passes 5-0.

6) Review Current Debt Service

- a. The district currently has only \$ 952,070 in outstanding principal debt with total remaining debt capacity by NDCC of \$9.2 million. We have obligations to the school district for the dehumidifier in the amount of \$134,922 and our special assessment balance which doesn't count towards your total debt capacity. It's our recommendation that we address Faris Field in 2023 as we have \$177,000 of debt service payments coming off. We could do a loan for \$1 million and work with the Mandan Baseball Club to contribute \$500,000 towards the project. This would allow the Park District to address youth diamond fencing, Park Operations building with new siding, and consider south side tennis courts.

7) District Facility Upgrades:

- a. Starion Sports Complex Impact
 - i. Sales tax collections for 2019 was \$1.7 million and YTD for 2020 is \$1.18 million which is already enough for our payment. Accounting Manager Welch stated that we have already set aside over \$300,000 in a reserve account in case 2021 has potential for a decrease in sales tax collections. In normal years we would buy down the B bond with excess sales tax collections. We have saved around \$1.4 million in interest, paid off the T bond, and no concerns for 2020 collections due to covid.

- ii. The Mandan Hockey Club is still interested in pursuing adding additional locker rooms at the Sports Complex. We partnered with them on the feasibility study to determine if it is possible, funding was not determined.
- iii. If U Mary isn't able to start the fall season due to covid, staff will need to determine if adding the second sheet of ice is warranted. We will need to direct staff to continue communication with all user groups that rent ice, and make a sound financial decision on whether we can rent the facility to our expectations, and pay the expenses associated with having two sheets of ice.

8) Memorial Ballpark

- a. Director Higlin presented a couple of options of collegiate teams that are interested in playing at Memorial Ballpark at BNC Bank Field. President Meschke and I met with Steve Wagner from the Expedition League and John Bollinger from the Bismarck Larks who are interested in a second team in the area. Director Higlin asked for direction from the board to determine if this is something we are interested in pursuing. The Mandan Baseball Club has concerns that it will take away practice and games on the ballpark away from Mandan kids. VP Arenz stated that he is against bringing in a team to take over the ballpark. VP Arenz stated that these teams come in and take over the schedule, concessions, and sell sponsorships all over the field and takes away from our beautiful field that we worked with the MBC. President Meschke stated that he called Dickinson and Minot Park Board Presidents to understand their thoughts on having a team. Most of the comments were positive and there are a few issues that arise at times with scheduling and sharing the facility, overall it's great for the community. President Meschke also called the Director of Parks and Recreation in Aberdeen and he stated that the City did not get paid on the outstanding balance since the club closed its doors. President Meschke would like the Recreation & Facilities Committee to work together with the MBC and come up with a list of concerns and see if staff and Commissioner Hatzenbuehler can come up with solutions to help determine if bringing a team to Mandan could actually happen. Director Higlin stated that the first option we need to consider is the ballpark schedule with all the teams. If we cannot accommodate our own teams while giving priority scheduling to the Mandan Chiefs and A's teams then we may get our answer before trying to work through a contract. Commissioner Hatzenbuehler stated that he wants to work well with the MBC and wants Damian and Kurt to at least consider the option instead of not wanting to work together. Damian Huettl stated that they didn't fundraise and contribute \$1.7 million towards the renovation of the ballpark so our kids can't enjoy it. Mr. Huettl stated that it won't work with scheduling and how will the school district games in May be impacted with collegiate baseball schedule starting in early May playing 32 games. Mr. Huettl asked what time Mandan teams would have to be off the field prior to the collegiate team's games. Director Higlin assumed two hours, but was not certain. President Meschke recommended that we send this back to Recreation & Facilities Committee to work on the schedule and develop a list of concerns. The committee can report back with their research and we can decide if this has merit for the Park District.

9) Southside Master Plan

- a. Discussion was held on constructing Faris Field in 2023 since debt service payments are coming off that would allow the Park District to see no significant change in the current debt payments. Discussion was held on the needs and best use of the property with current trends and statistical figures in our programs. Director Higlin sees the Recreation & Facilities Committee participating in the discussion for needs assessment with current baseball participation statistics decreasing, however girl's fast pitch is increasing. The concept is to have skinned infields with portable mounds to address all of our field space needs.

10) All Seasons Arena Operation Update with MPS:

- a. Director Higlin stated with schools being shut down due to covid, I am not sure how the school district plans on addressing the staff wages vs operational expenses that we have incurred based on the contract. Director Higlin will follow up with Ryan Lagasse and report back.

11) Tennis Court Property:

- a. Director Higlin stated that he received an email from Kevin Allan about starting a fundraiser for the tennis courts project on the southside. I reminded Mr. Allan that in order to kick off a fundraiser, the Park Commissioners need to be involved from the start and give approval to proceed.

12) Future Greenspace and Trail Discussion:

- a. Director Higlin presented 19th Street multi-purpose trail phase 2 is scheduled for 2021 and the first phase is near completion. There were some design and construction concerns with the contractor and the City of Mandan was addressing them.

13) Vision Fund Update:

- a. Director Higlin presented language for 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.
 - i. Currently, the following revenue sources will be deposited in the Vision Fund:
 1. Naming rights for Starions Sports Complex from Starion Financial.
 2. Naming rights for the track from Gangl Hospitality.
 3. All of the field rentals at Veterans Memorial Ballpark at BNC Field per the agreement with the MBC for turf replacement.

Motion by Commissioner Mehlhoff and seconded by Commissioner Hatzenbuhler to approve the language for the Vision Fund as presented. Motion passes 5-0.

14) New Park District Logo:

Director Higlin presented the new Park District logo along with the plan of action for implementation for 2021 celebrating our 100 yr. anniversary. Motion by Commissioner Mehlhoff and seconded by Commissioner Froehlich to approve the new logo as presented. Motion passes 5-0.

15) Upcoming retirements:

Director Higlin stated that Brad Olson and Tony Kalvoda have stated that they are looking to retire in 2021 and an exact date has not been set. Mike Zerr is also considering his options, but also considering it.

- 16) **2019-2021 Strategic Plan Goals & Objectives** were presented with updated completed items over the past year. Director Higlin stated that we will start working on the 2022-2024 plan late fall next year.

Motion by VP Arenz to adjourn at 7:40pm, seconded by Commissioner Mehlhoff. Motion passes 5-0.

Cole Higlin

Cole Higlin (Sep 17, 2020 14:22 CDT)

Cole Higlin
Director/Clerk, Mandan Park District
Commissioner



Wade Meschke
President, Board of Park

July 20 2020 annual budget retreat MINUTES

Final Audit Report

2020-09-18

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