



MANDAN PARK BOARD
2019
ANNUAL BUDGET RETREAT MINUTES
July 17, 2019
PARK ADMIN OFFICE

Attendees:

Park Commissioners:

President Meschke, Commissioner Hatzenbuhler, Commissioner Mehlhoff, and Commissioner Knoll.

Park Staff:

Director Higlin and Accounting Manager Welch.

Absent:

Vice President Arenz

President Meschke called the meeting to order at 4:00pm and turned the meeting over to Director Higlin.

1) 2019 Mid-Year financial recap

- a. Director Higlin provided a summary of the past six months' operating budget of the district. Director Higlin stated that there are no concerns at this time. General Fund revenue is \$1.2 million short of our budget and expenses are under \$2.3 million. All funds total revenue is \$5.4 million and expenses are \$3.8 million.
- b. State Aid Distribution & Property Tax collection are on schedule as budgeted. We currently budget conservatively on state aid, but in 2020 we had to increase the amount to meet a balanced budget.
- c. Director Higlin reviewed all funds cash balances with discussion on required fund balance minimum in the general fund and capital improvement fund.

2) 2020 Budget Summary

	Revenue	Expense
General Fund	\$4,696,300	\$4,696,300
Special Assessment	\$ 270,775	\$ 75,000
Baseball Booster	\$ 113,200	\$ 113,200
Capital Improvement	\$ 453,750	\$ 360,000
Raging Rivers	\$ 710,900	\$ 843,390
Refunding Bonds	\$ 176,675	\$ 176,675
Flex Spending	\$ 5,000	\$ 5,000
Vision Fund	\$ 62,500	\$ 0
Total All Funds	\$6,489,100	\$6,269,565

- a. Highlights of 2020 Budget:
 - i. 24 FTE will receive a 2% raise (1% COLA and 1% merit).
 - ii. Health insurance increased 15%. Total payment in 2020 will be \$403,000 which is an increase of \$43,000 compared to 2019.
 - iii. No matching grant allocation and travel and training reduced.
 - iv. We will do a slight increase in adult sports team and player fees.
 - v. Raging Rivers fund includes a one-time expenditure of \$150,000 using cash reserves for a waterfall feature and lining the catch pool.
- 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 a year-end balance of \$1.4 million, but \$333,000 is restricted for Faris Field project.

3) Capital Outlay

- a. The beginning fund balance in 2019 was \$685,158 and projected ending fund balance in 2019 is \$781,979. Currently we are recommending \$125,000 restricted for a new ice resurfacer in 2022. For 2020 we have a total of \$360,000 in budget requests. These include:

District Maintenance Dept:

1. KC Park playground replacement	\$85,000
2. Parks pickup replacement	\$25,000
3. Parks sidewalk replacement	\$10,000
4. Crack seal trails and parking lots	\$15,000

Golf Dept:

5. PWGC parking lot and sidewalk repairs	\$75,000
6. PWGC tee box and bunker improvements	\$35,000
7. PWGC range ball dispenser	\$10,000

Raging Rivers:

8. Cabana/canopies replacement	\$20,000
9. Repair outdoor shower	\$15,000

4) Special Assessment:

- a. Accounting Manager Teri Welch provided an estimated forecast of special assessments. The south side assessment is impacting the district by \$1.4 million, 16th Street NE is estimated at \$500,000; Director Higlin met with city staff yesterday and the dollar amount will be closer to \$300,000 or 19% of the total project cost. 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 2020 if funding allows. Our current special assessment payment is \$71,833 and is estimated to increase in 2021 to \$140,090 and in 2022 our payment is estimated at \$269,113 due to south side assessment. In 2023 when all the interest is applied our payment is projected at \$310,487. Currently we only levy .9 mills for our payments. It is our recommendation to increase our special assessment levy by 1.6 mills to plan for the upcoming assessments.

5) Direction on mill valuation/increase

- a. Accounting Manager Welch presented two options for mill levy. The estimated value of 1 mill is \$96,149. It was agreed upon to reduce the general fund mill by 1 and increase special assessment by 1.5 mills. The net effect is a 1 mill increase. The financial impact to taxpayers owning a \$250,000 home with no valuation increase, is an annual increase of \$11 of property tax.
- b. Motion by Commissioner Knoll to levy 21.5 mills in the general fund, 2.5 mills in the special assessments fund, and 5 mills in the capital improvement fund, for a total mill levy of 29 mills. Seconded by Commissioner Hatzenbuhler. Motion passes 4-0.
- c. Commissioner Mehlhoff made a motion to approve the 2020 preliminary budget as presented with the exception of removing the \$700,000 construction fund expense line item for Faris Field and restricting \$125,000 in the Capital Improvement Fund for an ice resurfacers to be purchased in 2022. Seconded by Commissioner Hatzenbuhler, motion passes 4-0.

6) Review Current Debt Service

- a. The district currently has only \$1.5 million in outstanding principal debt with total remaining debt capacity by NDCC of \$8.9 million.

7) District Facility Upgrades:

- a. Starion Sports Complex Impact
 - i. Sales tax collections/Debt payment review: Sales tax collections since 2015 have generated \$6.1 million which has allowed us to pay an extra \$1.8 million in principal payments in advance, resulting in a savings of \$1.2M in interest.
 - ii. DSG rental agreement: Director Higlin presented the Dakota Star Gymnastics agreement and recommended a \$100 monthly increase to the current lease agreement. Director Higlin also requested that we do a 5 yr lease agreement with an escalator clause that allows a \$100 monthly increase every year. The consensus among Park Commissioners was supportive and Director Higlin will work on the details with Dakota Star Gymnastics and present it at our December board meeting for final approval.
 - iii. Beer sales summary: Director Higlin stated that the beer sales at U Mary hockey games generated \$18,446 and the Park District share is \$1961 which will go directly to Sports Complex budget.
 - iv. Old Red Trail reconstruction has been postponed to 2020 due to funding limitations at NDDOT. Director Higlin stated that he submitted a letter of request to fund the project in 2020 if NDDOT has funds available, since we have been planning this project since 2015.
 - v. 16th Street Special Assessment and timeline: Director Higlin met with City Engineer Justin Froseth, City Manager Jim Neubauer, and Bob Kupper about the 16th Street NE assessment. Mr. Kupper needs the road in to meet his building completion timeline of December 2020. It was agreed upon that the Park District's cost share would be 19% or \$296,566. Motion by Commissioner Knoll to accept 19% of 16th Street NE in the amount of \$296,566. Seconded by Commissioner Hatzenbuhler; motion passes 4-0.

8) Memorial Ballpark

- a. Director Higlin updated the board on working with the Mandan Baseball Club on rental fees for Memorial Ballpark and the request from U of Mary baseball team to host their home games. The Park District and Baseball Club agreed that we wanted to protect our recent investment of \$2.5 million and had concerns of wear and tear on the ballpark. We are working on rental fees for the ballpark and currently we are working on \$350 a game and \$150 an hour for practice. Director Higlin stated that we will be bringing this item back to the board for final approval.

9) Southside Master Plan

- a. Discussion was held on constructing Faris Field in 2020. Discussion was held on the needs and best use of the property with current trends and statistical figures in our programs. Director Higlin was directed to have discussion with Mandan Public School about our current agreement that states they would consider cost participation in the property. Director Higlin reminded that we had sales tax funds allocated for Faris Field originally. Then the school district changed their mind on building a locker room building on Park District property. The board chose to reallocate sales tax dollars from Faris Field to address the locker room at the Sports Complex. Further discussion was held on investing Park District dollars on School District property without an agreement. Director Higlin will communicate with Dr. Bitz on the next steps with Faris Field.

10) Update on DCP agreements:

- a. Director Higlin presented the BMSCA agreement which expires in 2019. Director Higlin recommended renewing the agreement for an additional 5 years with a lease rate of \$26,000 and no per head surcharge since BMSCA will be responsible for cleaning the facility. Director Higlin will make the changes and present them for approval at a future date.

11) All Seasons Arena Operation Update with MPS:

- a. Director Higlin presented a summary of School District and Park District operating expenses for 2019. It is estimated that the Park District would owe the School District \$29,000 for 2019.

12) HA Kautzmann Park Master Plan:

- a. Director Higlin presented the cost estimates developed by KJ who hosted the master planning sessions for the public. The estimates were \$800,000 and Director Higlin stated that our budget was \$300,000 to \$500,000. Director Higlin recommended a budget of \$300,000 and this figure could be increased as we work on priorities for the park with citizens. Director Higlin stated that we will solicit an HA Kautzmann Design Committee which will have citizen involvement. We will send out a request for three citizens who attended the public hearing to assist the Park District in prioritizing items for the park. No funds were approved for 2020 at this time until the HA Kautzman Design Committee develops a plan of action to present to the Park Commissioners who will then amend the 2020 budget.

13) Tennis Court Property:

- a. It was stated to keep the property until we know the long term plan for Faris Field pending discussions with Mandan Public Schools.

14) Recreation Dept:

- a. Director Higlin stated that we will not fill Naomi Erdahl's position as we are trying to transfer the evening baseball program to the Mandan Baseball Club. Director Higlin stated that he placed \$45,000 in salaries for a FTE if needed in 2020 but this position would be an entry level position.

15) Future Greenspace and Trail Discussion:

- a. Director Higlin presented future land developments projects happening north of the Middle School and west of Sunset Park. The Park District will continue to monitor the progress and will continue to plan our district needs as they develop.

16) Master Plan for PWGC bunker and tee box renovation:

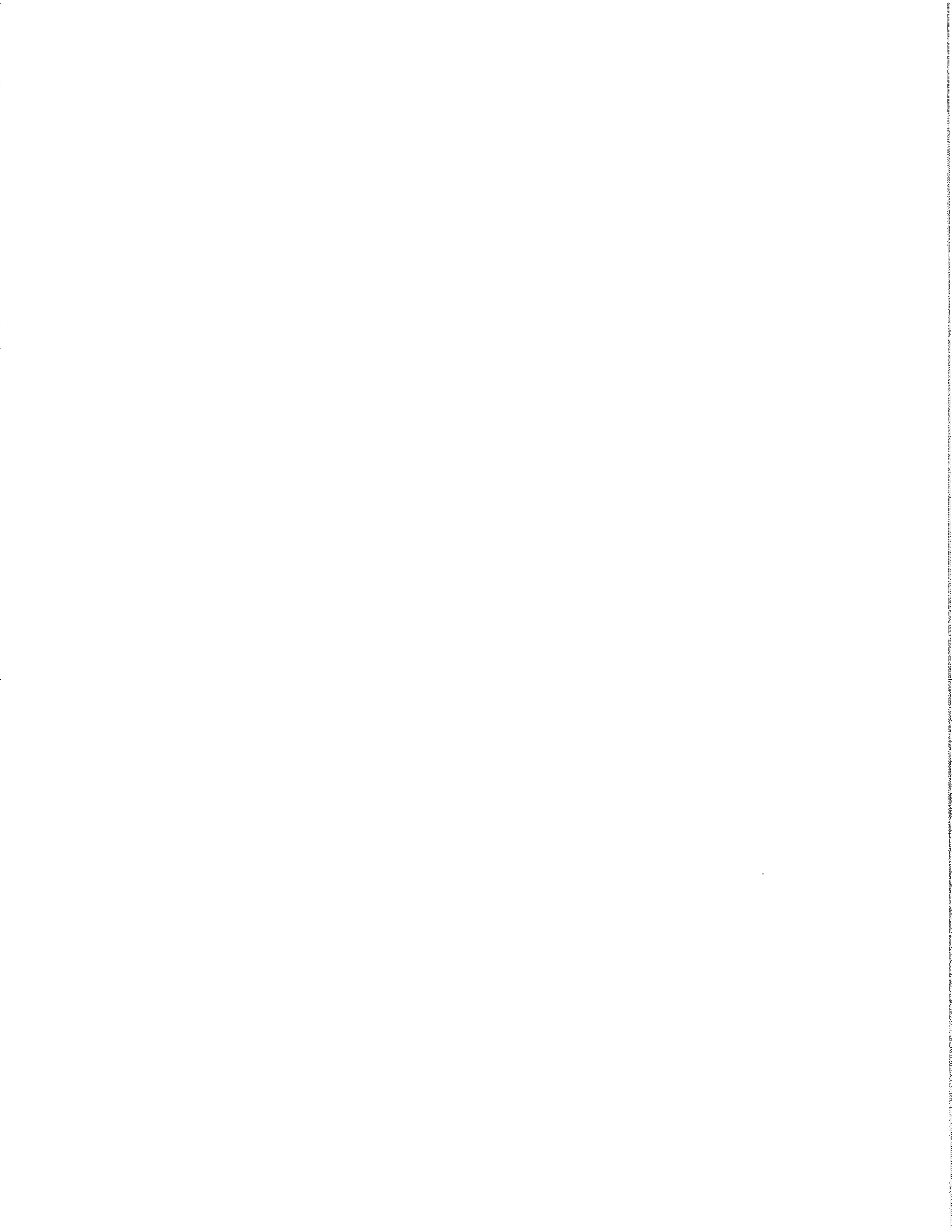
- a. Director Higlin discussed the proposed master plan for PWGC bunker and tee box renovation. Discussion was held on if we do a master plan are we supportive of spending \$500,000 for a bunker and tee box renovation? Discussion was held if this was a wise investment as this won't generate additional revenue and bunkers are a labor intense item on a golf course. It was decided to reclassify the \$35,000 request for a master plan as improvements to bunkers and tee boxes in 2020. Brad Olson; Golf Operations Manager will determine which tee boxes and bunkers need improvement and present a plan on action for final approval.

17) Vision Fund Update:

- a. Director Higlin will develop language for a resolution with Attorney Ruff to protect the purpose of the Vision Fund. The current purpose of the Vision Fund is to allocate naming rights from Starion Financial and Gangl Hospitality as a long term investment for major repairs to the Starion Sports Complex.

Motion by Commissioner Knoll to adjourn at 6:32pm, seconded by Commissioner Mehlhoff. Motion passes 4-0.

A handwritten signature in blue ink, appearing to be 'C. Higlin', is located at the bottom left of the page. The signature is fluid and cursive, with a long horizontal stroke extending to the right.



14) Recreation Dept:

- a. Director Higlin stated that we will not fill Naomi Erdahl's position as we are trying to transfer the evening baseball program to the Mandan Baseball Club. Director Higlin stated that he placed \$45,000 in salaries for a FTE if needed in 2020 but this position would be an entry level position.

15) Future Greenspace and Trail Discussion:

- a. Director Higlin presented future land developments projects happening north of the Middle School and west of Sunset Park. The Park District will continue to monitor the progress and will continue to plan our district needs as they develop.

16) Master Plan for PWGC bunker and tee box renovation:

- a. Director Higlin discussed the proposed master plan for PWGC bunker and tee box renovation. Discussion was held on if we do a master plan are we supportive of spending \$500,000 for a bunker and tee box renovation? Discussion was held if this was a wise investment as this won't generate additional revenue and bunkers are a labor intense item on a golf course. It was decided to reclassify the \$35,000 request for a master plan as improvements to bunkers and tee boxes in 2020. Brad Olson; Golf Operations Manager will determine which tee boxes and bunkers need improvement and present a plan on action for final approval.

17) Vision Fund Update:

- a. Director Higlin will develop language for a resolution with Attorney Ruff to protect the purpose of the Vision Fund. The current purpose of the Vision Fund is to allocate naming rights from Starion Financial and Gangl Hospitality as a long term investment for major repairs to the Starion Sports Complex.

Motion by Commissioner Knoll to adjourn at 6:32pm, seconded by Commissioner Mehlhoff. Motion passes 4-0.



Cole Higlin
Director/Clerk, Mandan Park District
Commissioner


Wade Meschke
President, Board of Park

