

**METROPOLITAN PARK DISTRICT
OF TACOMA**



AGENDA

**NOVEMBER 26, 2018
6:00 P.M. MPT HEADQUARTERS
4702 S. 19TH STREET
TACOMA, WA 98405**

**MEETINGS ARE RECORDED AND MAY BE HEARD AT THE
PARK DISTRICT OFFICES UPON REQUEST**

COMMISSIONERS

**ANDREA SMITH, PRESIDENT
AARON POINTER, CLERK
ERIK HANBERG
TIM REID
JESSIE BAINES, JR.**

6:00 P.M. **CALL TO ORDER**

ROLL CALL

FLAG SALUTE

PUBLIC HEARING 2019-20 BIENNIAL WORK PLAN & BUDGET

SPECIAL PRESENTATIONS

PRESIDENT'S REPORT

STANDING COMMITTEE & COMMISSION REPORTS

EXECUTIVE DIRECTOR'S REPORT

REGULAR MEETING

CITIZEN COMMENTS

MINUTES

(3-8) **MINUTES OF THE NOVEMBER 13, 2018 REGULAR BOARD MEETING**

"Park District meeting sites are accessible to people who require
special accommodations, please contact 305-1091
48 hours prior to the meeting time."



CONSENT AGENDA

- (9-10) **RESOLUTION NO. C90-18:** REVISING DECEMBER 2018 MEETING SCHEDULE FOR THE BOARD OF PARK COMMISSIONERS
(Contact: President Smith)

REGULAR AGENDA

PURCHASING RESOLUTIONS

(Requiring one reading for adoption)

- (11-14) **RESOLUTION NO. P91-18:**
1. KING FEED FOR ANIMAL FEED IN THE AMOUNT OF \$125,000
(Contact: Alan Varsik, Director of Zoological & Environmental Education)

PUBLIC WORKS PURCHASING RESOLUTIONS

(Requiring one reading for adoption)

SINGLE READING RESOLUTIONS

(Requiring one reading for adoption)

SECOND READING RESOLUTIONS

(Requiring two readings for adoption)

- (15-18) **RESOLUTION NO. RR88-18:** AUTHORIZING 2018 GENERAL TAX LEVY OF REGULAR PROPERTY TAX FOR COLLECTION IN 2019
(Contact: Erwin Vidallon Chief Financial Officer)
- (19-24) **SUBSTITUTE RESOLUTION NO. SRR89-18:** AUTHORIZING EXCESS TAX LEVY FOR UNLIMITED TAX GENERAL OBLIGATION (UTGO) BOND REDEMPTION
(Contact: Erwin Vidallon Chief Financial Officer)

FIRST READINGS:

(Requiring two readings for adoption)

- (25-27) **RESOLUTION NO. RR92-18:** ADOPTING THE 2019-2020 BIENNIAL BUDGET
(Contact: Erwin Vidallon, Chief Financial Officer)

UNFINISHED BUSINESS

NEW BUSINESS

BOARD COMMENTS

ADJOURNMENT

UPCOMING BOARD MEETINGS

November 28, 2018	Capital Improvement Committee	5:00 PM	Park Headquarters
December 3, 2018	Committee of the Whole	5:30 PM	Park Headquarters
January 14, 2019	Regular Park Board Meeting	6:00 PM	Park Headquarters
January 16, 2019	Capital Improvement Committee	5:00 PM	Park Headquarters
January 21, 2019	Committee of the Whole	5:30 PM	Park Headquarters
January 28, 2019	Regular Park Board Meeting	6:00 PM	Park Headquarters

* Committee Meetings are subject to change - please check the Metro Parks Website, www.metroparkstacoma.org for the most up to date meeting schedules.



**MINUTES OF REGULAR MEETING
BOARD OF PARK COMMISSIONERS
November 13, 2018**

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

IN THE CHAIR: Andrea Smith

PLACE: 4702 South 19th Street

FLAG SALUTE: Commissioner Pointer

REGULAR MEETING

The regular meeting of the Metropolitan Park District Board of Park Commissioners was called to order by Commissioner Smith at 6:00p.m.

PUBLIC HEARING

2019-2020 Biennial Budget

Shon Sylvia began the hearing by giving a park system overview noting 2,700 acres of parks and open space serving 213,000 Tacoma residents. Key challenges and opportunities for the district were highlighted by Mr. Sylvia including key policy drivers, revenue to expense gap, and re-defining the current system. He noted that over the budget will include:

- 337 full-time (FT positions) District-wide, a net 13 additional staff proposed
- Expenditures of \$124,638,361
- Revenues of \$123,813,427 + \$2,735,443 Fund Balance Carry-over
- Continue to Maintain Fund Balance at 7%
- Capital Program of \$54,631,616

Mr. Sylvia stated the foundation for budget development was based on the following:

- The Six-Year Strategic Master Plan
- Advance the 3 Pillars of Sustainability
- Incorporate priorities within the Mission Led Comprehensive Program Plan
- Measure progress and success in order to ensure accreditation of standards of excellence with: AZA (Association of Zoos & Aquariums) & CAPRA (Commission for Accreditation of Park and Recreation Agencies)

Mr. Sylvia illuminated some district challenges & opportunities that will be highlighted throughout tonight's presentation:

Key Policy Drivers

- Youth Focus—ensure serving children remains a priority for service delivery; partner and leverage with other youth providers to avoid duplication
- “Balance of Free to Fee”; continue to grow scholarship funds based on the increasing reliance on fee waivers to ensure access to parks, facilities, programs and services

Revenue to Expense Gap

- Use of Fund Balance Carry-over to fund one-time projects
- Workforce/ employee costs increases
- Building on success of Resource Development and identify innovative and new revenue streams to support our changing community and park system

“Re-defining” the system

- Use of a Diversity, Equity & Inclusion lens as we look for gaps during our LOS study
- Impact on budget and level of service bringing on-line new assets
- Opportunity to evaluate structure & organizational development

Mr. Vidallon then reviewed a number of slides detailing the property and sales tax history of the District. District wide operating budget highlights were then presented noting the 17-18 forecast in comparison to the 19-20 biennium. Drivers and assumptions were also presented including a total revenue projected increase of 13%, total project expense increase of 12.2 %, and a projected general fund balance of 7%. Proposed breakdown of general fund and enterprise fund expenditures and revenues were then reviewed. Mr. Vidallon also reviewed the Full Time personnel summary noting a net budget change of 4% district wide compared to last biennium.

Debbie Terwilleger commented on the capital bond fund allocations categories noting major changes between categories will be acknowledged through board budget and CIP action. Staff then reviewed a 6-year capital program funding breakdown for 2019-2024.

Ms. Terwilleger commented on the 2019 – 2024 capital program (\$14,602,519) highlights as follows:

- Growing number of unfunded projects
- Strategic use of bond dollars for matching grants & new funding
- Program reflects Bond Shift Assumptions
- Three major projects made whole
- Neighborhood Parks/Small Caps Sub Category remains unchanged
- Growing emphasis on infrastructure upgrades
- Playgrounds/parking lots/hard surface courts/ADA compliance
- Waterfront park—FWDA, Pt Defiance Marina etc.
- Historical/cultural improvements
- Fort Nisqually/Point Defiance Historic Lodge/Shelters

Ms. Terwilleger further commented that the 19-20 capital program includes the following:

- 2019 – 2020 proposed: \$54,631,616
- Reflects the completion of the “mega” projects
- Completion of 60 existing projects in process (Owen Beach, Loop Trail)
- 55 new projects emphasizing community/neighborhood parks
- Better integration of lifecycle analysis to inform capital improvements
- New participatory budgeting outreach strategies for equity
- Community Impact projects, Titlow, Lincoln Park
- Collaboration with Puyallup Tribe of Indians

Within the department of Planning, operational Highlights were noted as:

- Expand outreach to underserved populations
- Geographic equity
- Level of Service Analysis for land & amenities
- Update the District-wide Sustainability Plan
- Data-driven decision making—sea level rise; tree canopy; storm water
- Collaborate with partners for community benefit
- Incorporate JMAC and LOS studies to address gaps
- Develop next steps/strategies for Ruston Way
- Shared condition assessment with COT for co-managed parks
- Planning for the next phase at Point Defiance
- Waterfront, Triangle & Camp Six

Marina Becker presented the highlights to Parks and Recreation as follows:

- Emphasis on Safety
- Focus on Youth
- Advance conservation engagement & environmentally responsible practices
- Implement strategies to support people experiencing homelessness
- Provide new assets, recreational opportunities & community spaces
- Modify level of service in park and facilities operations for efficiencies and fiscal sustainability
- Work with alternative providers and partners to redefine service delivery
- Enhance volunteer recruitment and retention to engage community
- Implement new staffing strategies to ensure sustainable workforce
- Adjust fees & charges and explore alternative approach to service

Alan Varsik provided the following as operational highlights within ZEED:

- Ensure high quality animal care
- Advance District-wide conservation engagement efforts
- Enhance storytelling capacity internally and externally
- Develop and open a new bald eagle exhibit
- Identify and implement the next role for the former North Pacific Aquarium and the next steps for the Arctic Tundra exhibit
- Implement transition of a new tram experience for Northwest Trek
- Explore increased efficiencies and advancing the District's mission

Pete Mayer remarked on the following operational highlights for Business and Innovation Department:

- Plan for necessary investments in District-wide technology
- Advance the District's diversity, equity and inclusion values
- Leverage the District's human capital through strategic investments
- Prepare, plan and respond to emergencies to minimize service disruptions
- Identify sustainable revenue strategies and develop a feasibility and implementation plan
- Optimize the District's foundations
- Negotiate a new labor agreement
- Leverage and monetize the District's asset portfolio through improved brand identity
- Re-align park properties, programs and services with the City and school district

- Reimagine how Tacoma’s public spaces can be better leveraged to maximize shared value
- Deploy best practices in procurement and general purchasing that exceed customer expectations
- Pursue strategies to improve health outcomes, increase resiliency and provide greater social connections
- Recruit a diverse workforce that matches the community we serve

Shon Sylvia commented on the operational highlights for the department of Governance & Direction as follows:

- Develop a comprehensive diversity, equity and inclusion approach
- Engage community partners in evaluating the feasibility of the Heidelberg Sports Village concept
- Conduct a District-wide Level of Service Study (LOS) to inform future facility and program planning
- Develop and implement a comprehensive legislative advocacy program
- Facilitate community-wide visioning across multiple sectors to reimagine Ruston Way
- Pursue opportunities to develop a joint maintenance facility with Tacoma Public Schools
- Champion District-wide conservation engagement initiatives

Being no public comments the public hearing was closed by President Smith.

SPECIAL PRESENTATIONS None

PRESIDENTS REPORT

President Smith commented on the good turnout of citizens at the Envision our Waterfront charrette. President Smith also commented that she and several Board members recently met with members from the Museum Accreditation Board regarding Fort Nisqually’s recent application for accreditation.

STANDING COMMITTEE AND COUNCIL REPORTS

Business & Responsive Agency Committee

Commissioner Baines commented that the committee received a capital projects overview at their last meeting.

Joint Municipal Action Committee

Commissioner Reid commented that JMAC meeting included legislative updates from each agency.

Commissioner Reid also commented that he attended the Fort Nisqually accreditation meeting and suggested an additional curator position at the Fort.

EXECUTIVE DIRECTOR’S REPORT

Executive Director, Shon Sylvia commented on the following:

- Joint Board meeting with the Zoo Trek Authority and the Park Board is November 14th.
- Zoo Lights November 24th – January 6th.
- Staff was thanked for their work on this year budget.

CITIZEN COMMENTS

Harriet Williams requested additional information on the library vending machines being put in at People's Center.

MINUTES OF THE OCTOBER 22, 2018 REGULAR BOARD MEETING

Correction made to the Flag Salute. Commissioner Hanberg moved to adopt as amended; seconded by Commissioner Pointer and passed on a vote of 5-0

CONSENT AGENDA

RESOLUTION NO. C86-18: APPROVAL OF WARRANTS CLAIM FUND FOR OCTOBER 2018

Commissioner Hanberg moved adoption of the consent agenda as presented; seconded by Commissioner Pointer.

Being no additional comments that question was called and the resolution passed on a vote of 5-0.

PURCHASING RESOLUTIONS

RESOLUTION NO. P87-18: AUTHORIZING PURCHASE OF GOOD AND SERVICES FOR METRO PARKS TACOMA

1. STATE OF WASHINGTON AUDITOR'S OFFICE FOR 2017 FINANCIAL AUDIT SERVICES IN AN AMOUNT NOT TO EXCEED \$65,000
2. DURHAM SCHOOL SERVICES FOR SHUTTLE BUS SERVICES IN THE AMOUNT OF \$90,000

Commissioner Hanberg moved adoption of the consent agenda as presented; seconded by Commissioner Pointer.

Erwin Vidallon commented that the additional funding for the auditor was due the single federal audit for New Market Tax Credits.

Alan Varsik indicated that additional bus shuttles are needed for increases admission and Zoolights.

Being no additional comments that question was called and the resolution passed on a vote of 5-0.

PUBLIC WORKS PURCHASING RESOLUTIONS None

SINGLE READING RESOLUTIONS None

SECOND READINGS RESOLUTIONS None

FIRST READING RESOLUTIONS

RESOLUTION NO. RR88-18: AUTHORIZING 2018 GENERAL TAX LEVY OF REGULAR PROPERTY TAX FOR COLLECTION IN 2019

Commissioner Hanberg moved adoption of the resolution; seconded by Commissioner Pointer.

Erwin Vidallon stated the Public Hearing regarding this issue as held on October 22nd.

Mr. Vidallon reviewed several graphs noting the percentage of property tax distribution in the county. He stated collections for 2019 equate to about a \$36.79 increase to average homeowners. Commissioner Hanberg requested additional information on the percentage increase maximum.

Mr. Vidallon stated that this year a resolution to show substantial need is not required as in year's past.

Being no additional comments the resolution was moved to second reading on November 26th.

**RESOLUTION NO. RR89-18: AUTHORIZING EXCESS TAX LEVY
FOR UNLIMITED TAX GENERAL OBLIGATION (UTGO) BOND REDEMPTION**

Commissioner Hanberg moved adoption of the resolution; seconded by Commissioner Pointer. Being no additional comments the resolution was moved to second reading on November 26th.

UNFINISHED BUSINESS None

NEW BUSINESS

BOARD COMMENTS:

Commissioner Hanberg commented that he has in interest in further exploring the Gas Station Park issue that was brought up during the Joint Park Board/ City Council meeting.

Joe Brady stated that that is being looked at in the broader context of the 10-minute level of service study that is being finished up.

Commissioner Baines commented that he is interested in additional discussion about the transfer of City ownership of parks to MPT. Pete Mayer indicated that the timing for that to happen is ideal as the Interlocal guiding principles are currently be addressed.

ADJOURN:

Being no further business, the meeting was adjourned at 8:40 p.m.

APPROVED:

President

Clerk

Submitted by: Jennifer Bowman, Board Secretary



MEMORANDUM

TO: Board of Park Commissioners
FROM: Andrea Smith, Board President
SUBJECT: Revising December 2018 Board Meeting Schedule
DATE: November 20, 2018

EXECUTIVE SUMMARY: It is requested that the Board of Park Commissioners revise its meeting schedule for the month of December 2018. It is requested that the December 24th meeting be cancelled.

BACKGROUND: The Park Board of Commissioners passed resolution RR75-14 that states meetings of the Board of Park Commissioners are to be on the 2nd and 4th Mondays of each month unless changed by Board action and announced to the public. The Board is requesting that the December 24, 2018 Regular Board Meeting be cancelled as it is Christmas Eve.

FISCAL IMPACT: None.

ADDITIONAL INFORMATION: For additional information, contact President Smith at (253) 305-1091.

METROPOLITAN PARK DISTRICT OF TACOMA

RESOLUTION NO. C90-18

**REVISING DECEMBER 2018 MEETING SCHEDULE FOR
THE BOARD OF PARK COMMISSIONERS**

WHEREAS, the Metropolitan Park District of Tacoma's Board of Park Commissioners established its meeting schedule with the adoption of Resolution No. RR75-14; and

WHEREAS, Resolution No. RR75-14 provides the meeting of the Board of Park Commissioners are to be on the 2nd and 4th Mondays of each month unless changed by Board action and announced to the public; and

WHEREAS, from time to time the Board of Park Commissioners desires to revise and amend its meeting schedule; and

WHEREAS, the second Board Meeting in December falls on Christmas Eve, December 24, 2018; now, therefore, be it

RESOLVED by the Board of Park Commissioners of the Metropolitan Park District of Tacoma that it hereby revise its meeting schedule by canceling the December 24, 2018 regularly scheduled Board Meeting.

The foregoing resolution was adopted by the Board of Park Commissioners of the Metropolitan Park District of Tacoma at a meeting held on _____, 2018.

ATTEST:

President

Secretary

Clerk



MEMORANDUM

TO: Board of Park Commissioners
THROUGH: Shon Sylvia, Executive Director *Sylvia*
FROM: Alan Varsik, Director of Zoological & Environmental Education

SUBJECT: Purchasing Resolution

DATE: November 20, 2018

EXECUTIVE SUMMARY: The attached Purchasing Resolution seeks Board approval to enable the Executive Director to enter into the necessary agreements for the purchase and acquisition of the goods and services detailed in Exhibit A to the Resolution and in the supporting information below.

Proposed goods and services proposed for purchase and/or acquisition:

Item No. 1

- **VENDOR** King Feed
- **GOODS OR SERVICE** Animal Feed
- **PRICE** \$125,000.00
- **SOURCE OF FUNDING** NWT Zoological Budget
- **CONTACT** Alan Varsik, (253) 404-3634

In 2017 staff worked with an animal nutritionist to develop a dietary plan to meet the unique dietary needs of the animals in our care. Based on this review, Northwest Trek utilizes several specialized grains developed by Mazuri Brand to feed the animals in the Free Roaming area. The diet is used to supplement the natural browse for moose, whitetail deer, bighorn sheep, caribou and mountain goats. While other vendors can supply this product, it would require Trek staff to drive further than the 8 miles to King Feed, load over \$6500 worth of product and then unload at Trek we receive a weekly delivery. Since King Feed delivers to Northwest Trek at no additional charge, purchasing from any other vendor would increase the overall cost and be an inefficient use of staff time.

King Feed is also the closest (8 miles) feed and livestock supply store for staff to purchase misc. items like salt blocks, straw and shaving for animal bedding. Due to higher than normal feeding requirements with the dry, hot summer, the cumulative purchases from King Feed to date total \$89,907.81 and staff anticipates that we will require additional grain purchases for the balance of the year bringing the total to \$125,000.00, which is over the threshold requiring Park Board approval.

FISCAL IMPACT: These expenses are budgeted in the NWT zoological budget.

ADDITIONAL INFORMATION: For additional information contact Alan Varsik at 253-404-3634.

PURCHASING RESOLUTION NO. P91-18

**AUTHORIZING PURCHASE OF
GOODS AND SERVICES FOR METRO PARKS TACOMA**

WHEREAS, the Board of Park Commissioners have established policies governing the purchase of goods and services for Metro Parks Tacoma through the adoption of Resolution No. RR21-15, Authorizing Amendment of the Purchasing Policy for the Metropolitan Park District of Tacoma; and

WHEREAS, the Board of Park Commissioners through the adoption of Resolution No. R51-02, Adopting Board Policies and Procedures, authorized the use of a Purchasing Resolution for consolidation of all purchases seeking approval by the Board of Park Commissioners; and

WHEREAS, Metro Parks staff recommends the Board of Park Commissioners authorize the purchase of goods and services detailed below; now, therefore, be it

RESOLVED by the Board of Park Commissioners of the Metropolitan Park District of Tacoma to authorize the Executive Director to enter into the necessary agreements to purchase or acquire the following goods and services as detailed in Exhibit A to this resolution.

The foregoing resolution was adopted by the Board of Park Commissioners of the Metropolitan Park District of Tacoma at a meeting held on _____, 2018.

ATTEST:

President

Secretary

Clerk

**Exhibit A
to
Purchasing Resolution No. P91 -18**

Item No. 1

- **VENDOR** King Feed
- **GOODS OR SERVICE** Animal Feed
- **PRICE** \$125,000.00
- **SOURCE OF FUNDING** NWT Zoological Budget
- **CONTACT** Alan Varsik, (253) 404-3634





MEMORANDUM

TO: Board of Park Commissioners

THROUGH: Shon Sylvia, Executive Director

FROM: Erwin Vidallon, Chief Financial Officer

SUBJECT: **Authorizing 2018 General Tax Levy of Regular Property Tax for Collection in 2019**

DATE: November 13, 2018

EXECUTIVE SUMMARY: This resolution establishes the 2018 levy of regular property tax for Metro Parks that will be collected during 2019.

BACKGROUND: Metro Parks Tacoma (MPT) has regular property tax levy authority that totals \$0.75 per \$1,000 of assessed value composed of two separate levies as shown below:

- \$0.50 per \$1,000 of assessed value levy; and
- \$0.25 per \$1,000 of assessed value levy.

MPT's levy rate history over the last ten years shows a period of decreasing levy rates as a result of the imposition of a one percent growth in property tax revenue along with significant growth in assessed property values, followed by the recession and declining property values and the approval of a levy lid lift on April 27, 2010, to restore our levy to the maximum allowable amount of \$.75.

In November 2007, the State Legislature approved new legislation that imposed a one percent annual property tax growth limitation, following voter approval of I-747 in 2001. The legislation limits annual property tax revenue growth to 1%, plus new construction. The impact is that regardless of assessed valuation growth, revenues cannot grow more than the limit.

The passage of a levy lid lift in 2010 and the subsequent decline in assessed valuations in 2012 and 2013 resulted in Metro Parks' property tax revenue to decrease significantly during this time period. However, with five years of increasing assessed valuations since 2014, Metro Parks has now surpassed the previous highest levy in 2017 to \$15,459,636 in 2018.

The chart below provides a ten-year history of our assessed value and levy rates.

<u>Collection Year</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed Value	\$ 21,180,901,878	\$ 19,448,091,249	\$ 18,016,099,709	\$ 16,335,169,585	\$ 16,913,735,225
Percent Change	-4.21%	-8.18%	-7.36%	-9.33%	3.54%
Levy Rate	\$ 0.4870	\$ 0.7500	\$ 0.7500	\$ 0.7500	\$ 0.7500
Tax Collection	\$ 10,312,555	\$ 14,586,068	\$ 13,512,075	\$ 12,251,377	\$ 12,685,301

<u>Collection Year</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed Value	\$ 18,256,338,159	\$ 19,407,365,221	\$ 21,207,605,958	\$ 23,662,776,999	\$ 26,802,835,908
Percent Change	7.94%	6.30%	9.28%	11.58%	13.27%
Levy Rate	\$ 0.7500	\$ 0.7500	\$ 0.7073	\$ 0.6533	\$ 0.6041
Tax Collection	\$ 13,692,254	\$ 14,555,524	\$ 14,999,274	\$ 15,459,626	\$ 16,190,724

FISCAL IMPACT: Metro Parks Tacoma levies its property tax on an annual basis even though it has adopted a biennial budget. The preliminary levy amount is \$16,190,724 which is an increase of 4.73 % over 2017.

ADDITIONAL INFORMATION: If you have any questions before the Board meeting, please contact Erwin Vidallon at 1-253-305-1081.

METROPOLITAN PARK DISTRICT OF TACOMA

RESOLUTION NO. RR88-18

**AUTHORIZING 2018 GENERAL TAX LEVY
OF REGULAR PROPERTY TAX FOR COLLECTION IN 2019**

WHEREAS, the Board of Park Commissioners of the Metropolitan Park District of Tacoma has met and considered its budget for the 2019-2020 biennium; and

WHEREAS, the District's actual levy from the previous year was \$15,459,636; and

WHEREAS, the population of this district is more than 10,000; and now, therefore be it

RESOLVED by the Board of Park Commissioners of the Metropolitan Park District of Tacoma that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2019 tax year.

The dollar amount of the increase from the previous year shall be \$68,820.86, which is a percentage increase of 0.445 percent from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state-assessed property, any annexations that have occurred and refunds made.

The foregoing resolution was adopted by the Board of Park Commissioners of the Metropolitan Park District of Tacoma at a regular meeting held on _____, 2018.

ATTEST:

President

Secretary

Clerk





MEMORANDUM

TO: Board of Park Commissioners

THROUGH: Shon Sylvia, Executive Director

FROM: Erwin Vidallon, Chief Financial Officer

SUBJECT: **Substitute Resolution Authorizing Excess Tax Levy for Unlimited Tax General Obligation (UTGO) Bond Redemption**

DATE: November 26, 2018

EXECUTIVE SUMMARY: This substitute resolution provides for excess property taxes to be levied for debt service payments on voter-approved unlimited tax general obligation (UTGO) bonds issued for the 2005 series bond issue (one remaining issue – 2010), for the 2012 and 2015 refunding bond issues, and for the 2014 series bond issues (2014 A and B, 2016 and 2018). Similar to our regular property taxes, the Board must authorize the tax levy in 2018 for collection in 2019.

Unlike regular property taxes where the Board establishes the amount of increase in revenue (up to the statutory maximum of one percent), with excess levies the Board specifies the exact dollar amount to be collected and the Pierce County Assessor-Treasurer's Office calculates the appropriate levy rate to collect the tax. Adoption of this resolution is required by state law to enact the Metro Parks Tacoma excess property tax levy.

In our efforts to populate the 2019-2020 budget book with the required charts, graphs and tables, staff was conducting final reconciliation of the debt schedule table and discovered that the original 2019 excess property tax collection required in 2019 that was presented on November 13 was overstated by approximately \$1,676,000. The regular property tax levy calculation was unaffected. Further diligence by staff concludes:

- In 2014, the Board authorized the first 2014 bond issuance and refund for the 2006 bond. Each were established separately in our accounting records as funds 2014A and 2014B, respectively. However, in 2016, the issuance for both the normal bond plus the 2008 bond refund were combined rather than treated separately as done in the 2014. This created an inadvertent miscalculation of the principal payment needed for the 2016 refund bond, which resulted in an overstatement of its principal amount. In other words, the formula was pulling the principal payment for the 2016 refund bond from the wrong cell of a worksheet.

•In 2010, the principal and interest payments associated with MPT's issuance of bonds were partially subsidized \$496,846 per year by "Build America Bonds"- a Federal subsidy program MPT qualified for. This amount should have been reduced from total 2010 bond for the purpose of establishing the 2019 excess levy. This was a gross oversight since it was not formula driven. Instead, it required a 'hard' entry into the spreadsheet. This reduction adjustment was inadvertently overlooked by staff. As a result, a substitute resolution is being presented with an updated table.

BACKGROUND: Voters approved an \$84.3 million bond issue in November 2005. The first two issues have been paid off through subsequent refunding bonds. The third issuance of \$19,210,000 was approved on November 10, 2008 (scheduled to be paid off on December 2018), and the fourth and final issuance of \$25,025,000 was approved on November 22, 2010.

On June 13, 2012, \$9,995,000 of refunding bonds were issued to refund a portion of bonds issued for PDZA projects in 2003 and the 2005 bonds. The remaining 2003 and 2005 bonds were paid off in December 2013 and 2015, respectively.

Following voter approval in April 2014 of a \$198,000,000 bond issue, \$33,400,000 in UTGO and \$18,040,000 in refunding (2006 issue) bonds were issued following Board approval on October 13, 2014. The remaining 2006 bonds was paid off in December 2016. In 2015, \$14,280,000 in refunding (2005 issue) bonds were issued following Board approval on July 13, 2015. Following Board approval on October 24, 2016, the district issued \$70,000,000 of UTGO bonds and \$6,290,000 of refunding (2008 issue) bonds. And most recently on April 9, 2018, the district issued \$40,020,000 of UTGO.

FISCAL IMPACT: We know from our current debt service schedules established at the time of the bond sales the exact principal and interest due each year. Included in the levy is a small reserve in each fund to accommodate non-payment or late-payment of taxes by property owners. Subsequent collection of delinquent taxes provides additional cash on hand which reduces the ensuing year's levy. All taxes collected remain within the bond redemption fund until we are able to make principal and interest payments. In the final years of the debt service associated with each individual issue, we may reduce the levy by any excess cash available in the fund.

The Park Board is authorizing the levy of tax on property in 2018 for collection in 2019 for the following principal and interest payments associated with the referenced bonds:

Issue	Principal & Interest Due in 2019	Total Tax Collection Required in 2019	Assessed Value for Excess Levy for Bonds	Estimated Levy Rate for Bond Debt Service
2010 UTGO	\$ 1,034,506	\$ 1,740,000	\$26,802,835,908	0.0649
2012 UTGO	\$ 1,081,475	\$ 1,066,000	\$26,802,835,908	0.0398
2014 UTGO A	\$ 484,925	\$ 376,000	\$26,802,835,908	0.0140
2014 UTGO B	\$ 1,630,300	\$ 1,657,000	\$26,802,835,908	0.0618
2015 UTGO	\$ 1,596,624	\$ 1,860,000	\$26,802,835,908	0.0694
2016 UTGO	\$ 5,360,150	\$ 4,650,000	\$26,802,835,908	0.1735
2018 UTGO	\$ 8,607,350	\$ 9,324,000	\$26,802,835,908	0.3479
Total	\$ 19,795,330	\$ 20,673,000		0.7713

The final levy rate will be determined by the Pierce County Assessor-Treasurer's office once the final property values have been established for Metro Parks Tacoma.

ADDITIONAL INFORMATION: For additional information, please contact Erwin Vidallon at 1-253-305-1081.

**METROPOLITAN PARK DISTRICT OF TACOMA
SUBSTITUTE RESOLUTION NO. SRR 89-18**

**AUTHORIZING EXCESS TAX LEVY
FOR UNLIMITED TAX GENERAL OBLIGATION (UTGO) BOND REDEMPTION**

WHEREAS, an unlimited tax, general obligation (UTGO) bond issue of \$84,300,000 for the stated purpose of making general improvements to parks and recreation facilities was authorized by voters at the general election held on November 8, 2005; and

WHEREAS, the Board of Park Commissioners authorized the issuance of \$19,210,000 of said UTGO bonds on November 10, 2008, and a final authorization of \$25,025,000 on November 22, 2010; and

WHEREAS, the Board of Park Commissioners authorized the issuance of \$9,995,000 of refunding bonds to advance refund portions of a 2003 UTGO bond issue for the Point Defiance Zoo and Aquarium and the 2005 voter-approved UTGO bond issues on May 14, 2012; and

WHEREAS, an unlimited tax, general obligation (UTGO) bond issue of \$198,000,000 for the stated purpose of making general improvements to parks and recreation facilities was authorized by voters at the general election held on April 22, 2014; and

WHEREAS, the Board of Park Commissioners authorized the issuance of \$33,400,000 in UTGO bonds on October 13, 2014, and \$18,040,000 to refund UTGO bonds originally issued in 2006; and

WHEREAS, the Board of Park Commissioners authorized the issuance of \$14,280,000 in UTGO bonds on July 13, 2015 to advance refund portions of the UTGO bonds originally issued in 2005; and

WHEREAS, the Board of Park Commissioners authorized the issuance of up to \$80,000,000 in UTGO bonds on October 24, 2016 for new projects and to advance refund portions of the UTGO bonds originally issued in 2008; and

WHEREAS, the Board of Park Commissioners authorized the issuance of up to \$50,000,000 in UTGO bonds on April 9, 2018 for carry-over and new projects; and

WHEREAS, "unlimited annual property taxes and other available monies" were authorized as a means of paying both principal and interest on said bond issues; now, therefore, be it

RESOLVED by the Board of Park Commissioners of the Metropolitan Park District of Tacoma that the amount to be levied for payment of UTGO bond principal and interest due from the 2018 excess property tax levy for collection in 2019 is as follows, based on property values provided by the Pierce County Assessor-Treasurer:

2010 UTGO	\$1,740,000
2012 UTGO refunding	\$1,066,000
2014 UTGO A	\$376,000
2014 UTGO B	\$1,657,000
2015 UTGO refunding	\$1,860,000
2016 UTGO	\$4,650,000
2018 UTGO	\$9,324,000
TOTAL	\$20,673,000

BE IT FURTHER RESOLVED that this resolution be certified to the proper officials of Pierce County, for collection in the same manner as other general taxes.

The foregoing resolution was adopted by the Board of Park Commissioners of the Metropolitan Park District of Tacoma at a regular meeting held on _____, 2018.

ATTEST

President

Secretary

Clerk





MEMORANDUM

TO: Board of Park Commissioners

FROM: Shon Sylvia, Executive Director

A handwritten signature in blue ink that reads "Shon Sylvia".

SUBJECT: 2019-2020 Biennial Budget

DATE: November 26, 2018

EXECUTIVE SUMMARY: Staff is requesting the Board review for approval the accompanying resolution, which adopts the 2019-2020 Biennial Operating and Capital Budgets for final adoption scheduled for December 10, 2018.

BACKGROUND: The budget development process officially kicked-off on April 2017 when Cabinet members began discussing the strategic direction, operational needs and challenges, and opportunities for innovations as part of our efforts to update MPT's Strategic Master Plan. Over the course of several months, both staff and community engagement ensued and influenced our 2019-20 recommended biennial budget. This budget is guided by the Six-Year Strategic Master Plan, which provides the road map to ensure the District provides the proper levels of service to the community. Our spending is also guided by the Mission-Led Comprehensive Program Plan, which supports business planning at the program level based on these three areas: active living and community wellness, culture and heritage, and nature and environment.

Staff began budget development with the Board at the July mid-year retreat. At the September 17th staff presented both the draft six-year and two-year capital plan and associated budget. We then presented our recommended 2019-2020 Operating and Capital Budgets with an in-depth review of department budget recommendations at the Board COW on November 5, 2018, followed by public hearings on November 13, 2018 and November 26, 2018.

Public presentation and discussions included:

- Business & Responsive Agency Advisory Council Presentation and Discussion on September 11, 2018.
- Advocacy Summit Presentation and Discussion on October 10, 2018.
- Public Hearings on property tax levies were held October 22 and November 13, 2018.
- Public Hearings and Budget Presentations were held November 13 and 26, 2018.

Changes to the 2019-2020 capital budget from the previously adopted CIP take into account the latest planning schedules based upon completion and progress of current projects, community input and criteria-based prioritization of the 2014 bond-funded projects.

Unless there are unforeseen delays, a final adoption of the budget resolution is scheduled for December 10, 2018.

FISCAL IMPACT: The 2019-2020 Operating Budget for all funds is \$180,935,965 and the Capital Budget is \$54,631,616. The General Fund Operating budget maintains a 7.0% fund balance target that is well within the 5%-10% policy requirement.

ADDITIONAL INFORMATION: For additional information on this resolution, please contact Erwin Vidallon, Chief Financial Officer at 253-305-1081.

METROPOLITAN PARK DISTRICT OF TACOMA

RESOLUTION NO. RR92-18

ADOPTING THE 2019-2020 BIENNIAL BUDGET

WHEREAS, the Executive Director of the Metropolitan Park District of Tacoma has recommended a budget and estimate of monies required to meet public expenses, bond retirement, interest and expenses for Metro Parks Tacoma for the 2019-2020 biennium beginning on January 1, 2019 and ending on December 31, 2020; and

WHEREAS, the detail budget is specified in the Executive Director's Recommended 2019-2020 Biennial Operating and Capital Budget, and

WHEREAS, the secretary of the Board did cause to be published in official legal notices of the local newspaper that the Board of Park Commissioners would meet on November 26, 2018 at the regular meeting place of the Board of Park Commissioners of the Metropolitan Park District of Tacoma giving taxpayers an opportunity to be heard regarding the proposed biennial budget; and

WHEREAS, the Board of Park Commissioners of the Metropolitan Park District of Tacoma did meet at the time specified and offered the opportunity for interested taxpayers, citizens and residents to comment on the proposed biennial budget as detailed below:

October 22, 2018	Public Hearing on Regular & Excess Property Tax Levies
November 13, 2018	Public Hearing on Regular & Excess Property Tax Levies
November 13, 2018	Public Hearing on 2019-2020 Biennial Budget
November 26, 2018	Public Hearing on 2019-2020 Biennial Budget

WHEREAS, the proposed biennial budget does not exceed the lawful limit of taxation as allowed to be levied by the Metropolitan Park District of Tacoma for the purposes set forth in the biennial budget, and estimated expenditures in the biennial budget are deemed necessary to provide park and recreation services to the citizens and residents of Metro Parks Tacoma during the 2019-2020 biennial period; now therefore be it

RESOLVED by the Board of Park Commissioners of the Metropolitan Park District of Tacoma that the 2019-2020 Biennial Budget for the period of January 1, 2019 – December 31, 2020 be approved and appropriated as follows:

- Section 1. The required expenditures for departmental needs and operations of Metro Parks Tacoma for the 2019-2020 biennium as noted above are fixed in the following amounts as noted in Exhibit A attached to and incorporated in this resolution.
- Section 2. The secretary of the Board is directed to transmit a certified copy of the 2019-2020 biennial budget as adopted by the Board of Park Commissioners of the Metropolitan Park District of Tacoma to the State Auditor of Washington, Division of Municipal Corporations.

Section 3 This resolution shall take effect January 1, 2019 at 12:01 a.m.

The foregoing resolution was adopted by the Board of Park Commissioners of the Metropolitan Park District of Tacoma at a regular meeting held on _____, 2018.

ATTEST:

Secretary

President

Clerk

METRO PARKS TACOMA
2019-2020 Biennial Budget
Exhibit A to Resolution No. RR92-18

Fund Type	Fund Name	Sources Revenue	Uses Expenditures
General Fund			
101	General Fund	\$ 64,874,326	\$ 67,609,769
	Use of Fund Balance	2,735,443	-
Debt Service Funds			
223	2010 UTGO	3,062,708	3,062,708
263	2012 UTGO	2,178,550	2,178,550
240	2014A UTGO	969,850	969,850
224	2014B UTGO	4,259,400	4,259,400
264	2015 UTGO	3,236,874	3,236,874
241	2016 UTGO	9,875,800	9,875,800
242	2018 UTGO	17,014,450	17,014,450
Enterprise Funds			
401	Point Defiance Marina Complex	2,583,519	2,976,024
402	Meadow Park Golf Course	3,261,000	3,146,663
404	Zoological & Environmental Education	52,944,555	54,635,877
	Use of Working Capital	2,083,827	-
Internal Service Funds			
510	Equipment Rental	751,894	720,000
520	Medical Insurance	11,429,648	11,000,000
530	Property & Liability Insurance	275,000	250,000
	Total Operating Budget	\$ 181,536,844	\$ 180,935,965
	2019-2020 Capital Budget	\$ 54,631,616	\$ 54,631,616
Total All Funds		\$ 236,168,460	\$ 235,567,581