

**Park Advisory Board
Meeting Minutes
December 7, 2023
Meeting called to order 5:36 PM**



1. ATTENDANCE:

- A. Park Board Members Present: Board Member, Michelle Musgrave
Board Member, Don Mitchell
Board Member, Lori Wood
- B. Park Board Members Absent: Board Member, Gregory Webb
Board Member, Jacob Powers
- C. Staff Present: J.C. Kennedy, Parks & Recreation Director

2. Agenda Approval: A Motion to approve the Agenda was made by Mrs. Wood. Second by Mrs. Musgrave. Agenda Approved.

3. November, 2023 Minutes: Motion to approve the minutes was made by Mr. Mitchell. Second by Mrs. Musgrave. Minutes approved.

4. Department Update:

• **Weekly Report**

Mr. Kennedy asked the board if they had any questions about the most recent weekly report, nothing was noted.

• **Revenue Report**

Mr. Kennedy highlighted current Revenue Status:

AHRC Revenue Year to Date	\$1,386,870.77
AHRC Expenditures Year to Date	\$1,937,127.99
AHRC Subsidy Year to Date	\$550,357.22
AHRC Cost Recovery % Year to Date	71.59%

In November we welcomed 14,409 paid members to the facility bringing the annual total to 157,695 paid members utilizing the Center.

We have realized 109.5% of our anticipated revenue for the year, \$120,703.77 over revenues budgeted.

• **November 21st Budget Proposal**

The City Manager is recommending that the City Council consider the exploration of various opportunities to collaborate with partners on the operation and maintenance of the recreation center. Stating that such a collaboration could maintain the operation and maintenance of the facility at a high level while also creating financial capacity in the General Fund to support public safety investments.

At the November meeting Mr. Kennedy questioned what are the implications for an independent operator to provide reduced fees for residents that are paying for the construction costs. Is this even legal? It's a gift of public funds. Mr. Kennedy referenced previous conversations that happened with the Bond Council where they informed the City that this would not be an option due to the tax-payer funds involved in the project and how the municipal bonds were issued. Mr. Kennedy provided more information on that subject including the following.

In 2018 when the project was being developed the Clerk Treasurer reached out to Kutak Rock LLP the Cities Legal Bond Counsel regarding issues with Private Use Associated with Tax-Exempt Bond Financed Facilities. They provided the following:

"1. Private Use

The Code and the Regulations limit the availability of tax-exempt bond financing to projects that are either governmental in nature, or include private sector participants engaged in certain "qualified" activities. Pursuant to Section 141 of the Code, bonds are non-qualified "private activity bonds" if: (a) ten percent or more of the proceeds of the bonds (or of the bond-financed facilities) will be used by a private user (the "private use test") and (b) more than ten percent of the debt service on the bonds will be paid by private users (the "private payment test"). The private use test and the private payment test are commonly referred to together as the "private activity bond test" and both prongs of the test must be met before the bonds are characterized as non-qualified private activity bonds. If a bond is a non-qualified private activity bond because it meets the private activity bond test, the interest on that bond cannot be tax-exempt.

Pursuant to the Code and Regulations applicable to the City, "private use" typically means any use of tax-exempt financed facilities or property in a trade or business by any person or entity other than a state or local governmental entity (a "non-exempt person"). Note that, with respect to the City and the use of its tax-exempt financed facilities, a non-exempt person includes the federal government as well as use by non-profit organizations. A non-exempt person is treated as a private business user of tax-exempt bond financed property as a result of owning such property, using such property pursuant to a lease or a management or service contract, having a special legal entitlement to or benefit of the property (e.g., having a priority right to the use of a portion of a tax-exempt financed facility), or otherwise benefitting from such property in a manner which results in private use."

Mr. Kennedy informed the board that he has not received any communication regarding the budget proposal that the department submitted on November 21st that included several initiatives that achieved the mandated \$995,000 expenditure reductions/revenue increases.

5. Project Updates:

- Mr. Kennedy provided a copy of the 2023 Year end Park Project Tracking report he filed with the City Council on Friday December 1st. That report included details on unaccounted Park Impact Fees that had been transferred in previous years. The transfers requested in the report will keep the City in compliance with state RCW's that place restrictions on the use of Park Impact Fees.

Parks Projects Unaccounted for Funds						
\$29,760.34	Transfer Requested to Current Expense Parks Capital Projects					
\$9,448.14	Transfer Requested to Park Reserve Fund					
\$38,896.87	Transfer Requested to Park Reserve Fund					
\$48,345.01	Total to Park Reserve Fund					
Total Unaccounted For Transfers Requested December 1, 2023	\$78,105.35					
Funds to Finish Shorty Combs Project	\$85,349.99					
Final Payment on Landreth Project Being Withheld	\$1,909.25					
Grand Total of Unaccounted for Funds from Previous Transfers	\$165,364.59					

• Sunset Park Pathway

Mr. Kennedy informed the board that SPVV Landscape Architects sent schematics for the electrical additions and pathway layout for review and comment. Copies of those were included in the meeting packet. The cost proposal for the project came in considerable under what was anticipated so it may be possible to contract with SPVV to execute an RFP for the project sooner than expected. The estimate provided by SPVV came in at \$351,676 to complete the project. Mr. Kennedy believes that this project is very doable this year pending the status of the Park Impact fees previously transferred for past projects that have not been utilized and their return to the Park Reserve Fund including refunding the fund the funds utilized for the Sekani Property Purchase. Mr. Kennedy stressed that if we are going to move forward a decision needs to be made very soon so our Landscape Architect can prepare the bid package and get it out. Now is the best time to be bidding projects as contractors are looking to get jobs in the calendar for 2024.

• RCO LPM Grant Award

Mr. Kennedy informed the board that the Cultural Resources documentation from RCO has been uploaded to the RCO Grant Software PRISM. Mr. Kennedy also informed the board that he has reached out to SPVV to begin the process of entering into a contract to complete this project by the June 30th deadline to utilize the \$100,000 in grant funding awarded to offset the City Match.

6. **Adjourn:** A motion to adjourn the meeting was made by Mrs. Musgrave. Second by Mr. Powers. **Meeting adjourned at 6:37 pm.**