



Peninsula Metropolitan Park District

PO Box 425 – Gig Harbor, WA 98335
253-858-3400 – info@penmetparks.org
www.penmetparks.org

REGULAR MEETING AGENDA

January 09, 2024, 6:00 PM

Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

Call to Order

Commissioner Roll Call:

	Present	Excused	Comment
Steve Nixon, President			
Maryellen (Missy) Hill, Clerk			
William C. (Billy) Sehmel			
Kurt Grimmer			
Laurel Kingsbury			

ITEM 1 Swearing in of New Commissioner William C. (Billy) Sehmel

ITEM 2 Nominations and Elections of 2024 Board Officers

ITEM 3 President's Report

ITEM 4 Executive Director's Report

ITEM 5 Special Presentations

5a. [Recreation Event Report](#)

ITEM 6 Board Committee Reports

6a. **Park Services Committee**

6b. **Finance Committee**

6c. **Administrative Services Committee**

6d. **Recreation Services Committee**

6e. **Campaign Committee**

6f. **External Committees**

ITEM 7 Public Comments:

This is the time set aside for the public to provide their comments to the Board on matters related to PenMet Parks. Each person may speak up to three (3) minutes, but only once during the citizen comment period. Anyone who provides public comment must comply with Policy P10-106 providing for the Rules of Decorum for Board Meetings. A copy of the policy is available at each meeting and at www.penmetparks.org

ITEM 8 Minutes

8a. [Approval of the December 05, 2023 Special Meeting Minutes](#)



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- 8b. [Approval of the December 05, 2023 Study Session Minutes](#)
- 8c. [Approval of the December 05, 2023 Regular Meeting Minutes](#)
- 8d. [Approval of the December 19, 2023 Special Meeting Minutes](#)

ITEM 9 Consent Agenda

- 9a. [Resolution C2024-001: Approval of the December 2023 Vouchers](#)

ITEM 10 Unfinished Business

- 10a. [Resolution RR2023-017: Adopting the Amended Policy P50-103: Facilities Use Policy and Retiring Policy P50-101: Athletic Field Use Policy \(second reading\)](#)

ITEM 11 New Business

- 11.1 Purchasing Resolutions Requiring One Reading for Adoption: None
- 11.2 [Single Reading Resolutions Requiring One Reading for Adoption:](#)
 - [11.2a Resolution R2024-001 Authorizing the Executive Director to Sign the Memorandum of Understanding with Peninsula Art League](#)
 - [11.2b Resolution R2024-002 Adopting the 2024 Budget Book](#)
- 11.3 Two Reading Resolutions Requiring Two Readings for Adoption: None

ITEM 12 Comments by Board

ITEM 13 Next Board Meetings

January 23, 2024 Study Session at 5:00 pm and Regular Meeting at 6:00 pm at the Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

ITEM 14 Adjournment

BOARD OF PARK COMMISSIONERS MEETING PROCEDURES

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Recreation Event Report

January 9, 2024

Fall Event Goals

- Provide free, fun, memorable and well attended events for the public to attend.
- Build on previous years and deliver an exceptional Scarecrow Festival for the Community to enjoy.
- Host a safe, fun Trunk or Treat event.
- Host a food drive in partnership with the local Kiwanis Club and encourage community participation.



AGENDA

- Event Overviews
- Partners & Sponsors
- Insights & Data
- Looking Forward





October 7, 2023

Scarecrow Festival

Event Overview

Purpose:

- Bring community together to celebrate in a festive environment.
- Provide a place-making opportunity for our community which leaves a positive memory of PenMet Parks for all attendees

Goals:

- Raise funds through the pumpkin launcher to support the Recreation Scholarship Program.
- Collect food to support community members with food insecurity in through partnership with the Kiwanis Club of Gig Harbor.
- Recognize sponsor contributions and participation.
- Support local makers, nonprofits, and food vendors while giving the community a chance to enjoy great food and shop local!

Event Highlights

- This year's Scarecrow Festival had very high levels of attendance with thousands of people coming to Sehmel Homestead Park.
- The event featured live music and performances, pumpkin chucking, a Scarecrow contest, crafts, hayrides, bouncy houses and inflatables, a petting zoo, the Pee Wee Rodeo, a Makers Market, food and a pumpkin carving demonstration.





PUMPKIN
LAUNCHING



PEEWEE
RODEO

Sponsors

- Presenting Sponsor: Paige Schulte – Neighborhood Experts Real Estate
- Other Sponsors: TAPCO Credit Union, Peninsula Light Co., Ocean5, Sign Gypsies

Partners

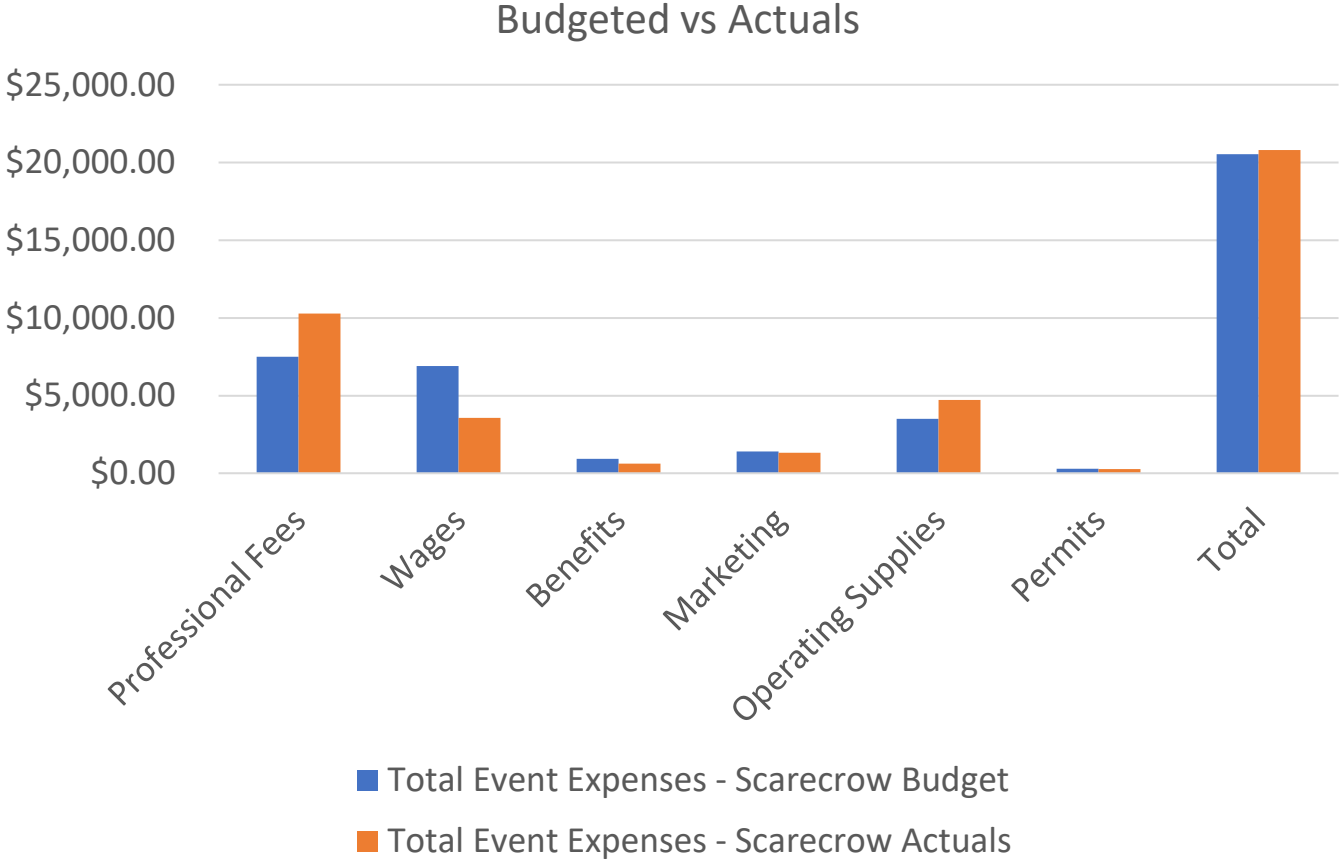
- **Kiwanis**
 - Collected 419lbs of food and \$80.
 - Provided 11 volunteers and 43.5 hours of volunteer service.
 - Sold 320 hot dogs, 300 drinks, and 300 bags of chips.

Budget Summary

Total Event Expenses - Scarecrow		
Category	Budget	Actuals
Professional Fees	\$7,500.00	\$10,283.20
Wages	\$6,895.56	\$3,562.56
Benefits	\$939.30	\$633.78
Marketing	\$1,400.00	\$1,330.00
Operating Supplies	\$3,500.00	\$4,719.92
Permits	\$300.00	\$275.00
Total	\$20,534.86	\$20,804.46

Pumpkin Launcher Donations	
Budgeted	Actual
\$2,500	\$3,300

Budget Summary



Looking Forward: Survey Results & Team Debrief Suggestions

Key themes included:

- Shuttles & Parking – add a second shuttle
- Event Timing
- Scarecrow Contest – centrally locate contest for ease of viewing & voting
- General Suggestions
 - Food Trucks
 - Line Management
 - Shade
- A great deal of compliments!



Item 5a.

October 27, 2023

Trunk or Treat

Event Overview

Purpose:

- Provide a safe, fun alternative trick or treating event prior to Halloween for the community.
- Start a new tradition by hosting a Halloween themed event at Sehmel Homestead Park.

Goals:

- Solicit participation of PenMet Parks partners and sponsors.
- Distribute treats in a safe and fun environment.
- Successfully promote and advertise event within the community to support robust attendance.
 - 967 people attended the event

Sponsors

- Sign Gypsies
- Ocean5

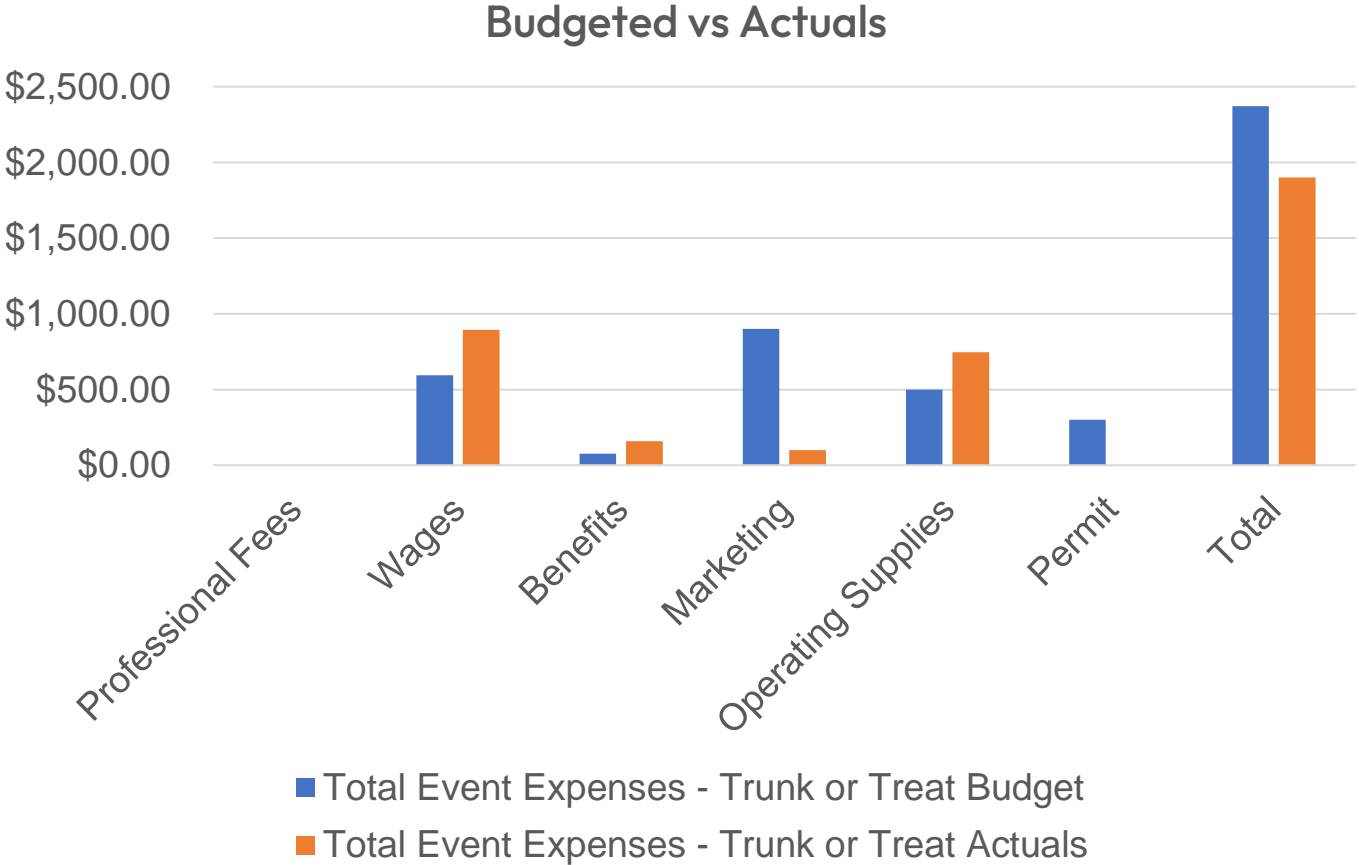
Partners

- A total of 13 organizations and community members hosted trunks and handed out treats to trick or treaters.
- Partners included: Snapology, Bricks4kids, Gig Harbor Kiwanis, Sky Hawks, Girl Scout Troop#44527, Boy Scout Troop#282, the PenMet Teen Advisory Committee and community members.
- PenMet Staff, as well as the Readwin Family, the Finley Family and the Kingsbury Family also hosted trunks.

Budget Summary

Total Event Expenses - Trunk or Treat		
Category	Budget	Actuals
Wages	\$593.94	\$894.97
Benefits	\$77.21	\$159.22
Marketing	\$900.00	\$100.00
Operating Supplies	\$500.00	\$746.02
Permit	\$300.00	\$0.00
Total	\$2,371.15	\$1,900.21

Budget Summary







Looking Forward: Survey Results & Team Debrief Suggestions

Key themes included:

- Event Timing
 - Three hours was a little long. Was dark for some of the event.
- General Suggestions
 - Food trucks
 - Line management
 - Indoor event space
 - More photo/selfie opportunities
- Outstanding turnout and very positive feedback.



December 9, 2023 Cookies with Mr. and Mrs. Claus

Event Overview

Purpose:

- Provide a fun, festive and memorable holiday event for the community.
- Continue the tradition of a holiday themed event at Sehmel Homestead Park.

Goals:

- Successfully promote and advertise event within the community to support robust attendance - Approximately 650 people attended the event.
- Provide a memorable holiday event for families within the community.
- Collect food in partnership with Kiwanis for Fish Food Bank.

Sponsors

- Sign Gypsies

Partners

- Fred Meyer of Gig Harbor donated 500 sugar cookies plus frosting for the cookie kits.
- Kiwanis of Gig Harbor created and distributed 250 take home cookie kits to families.
- Additionally, Kiwanis volunteers collected 220lbs of food to benefit FISH Food Bank.

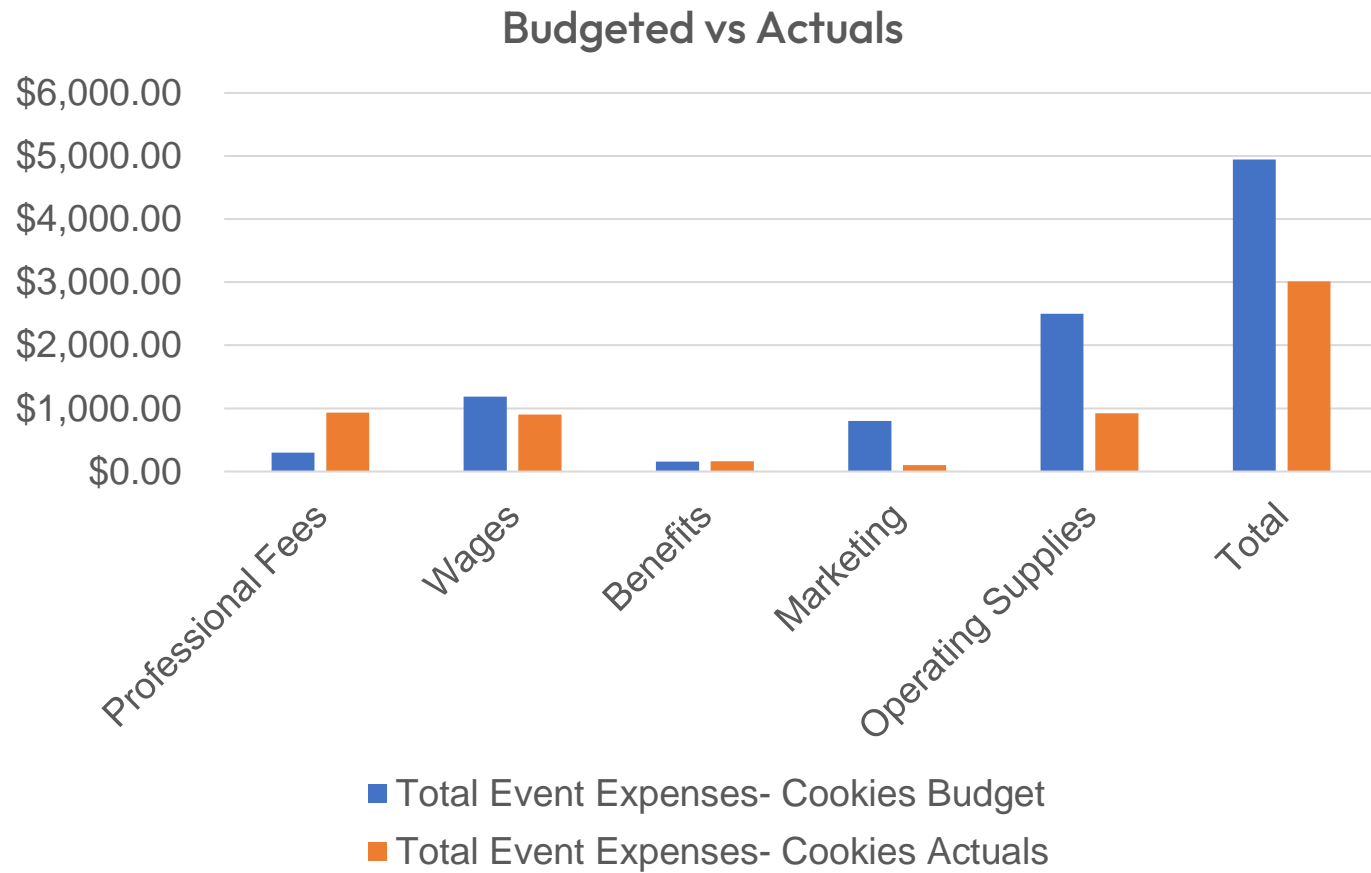




Budget Summary

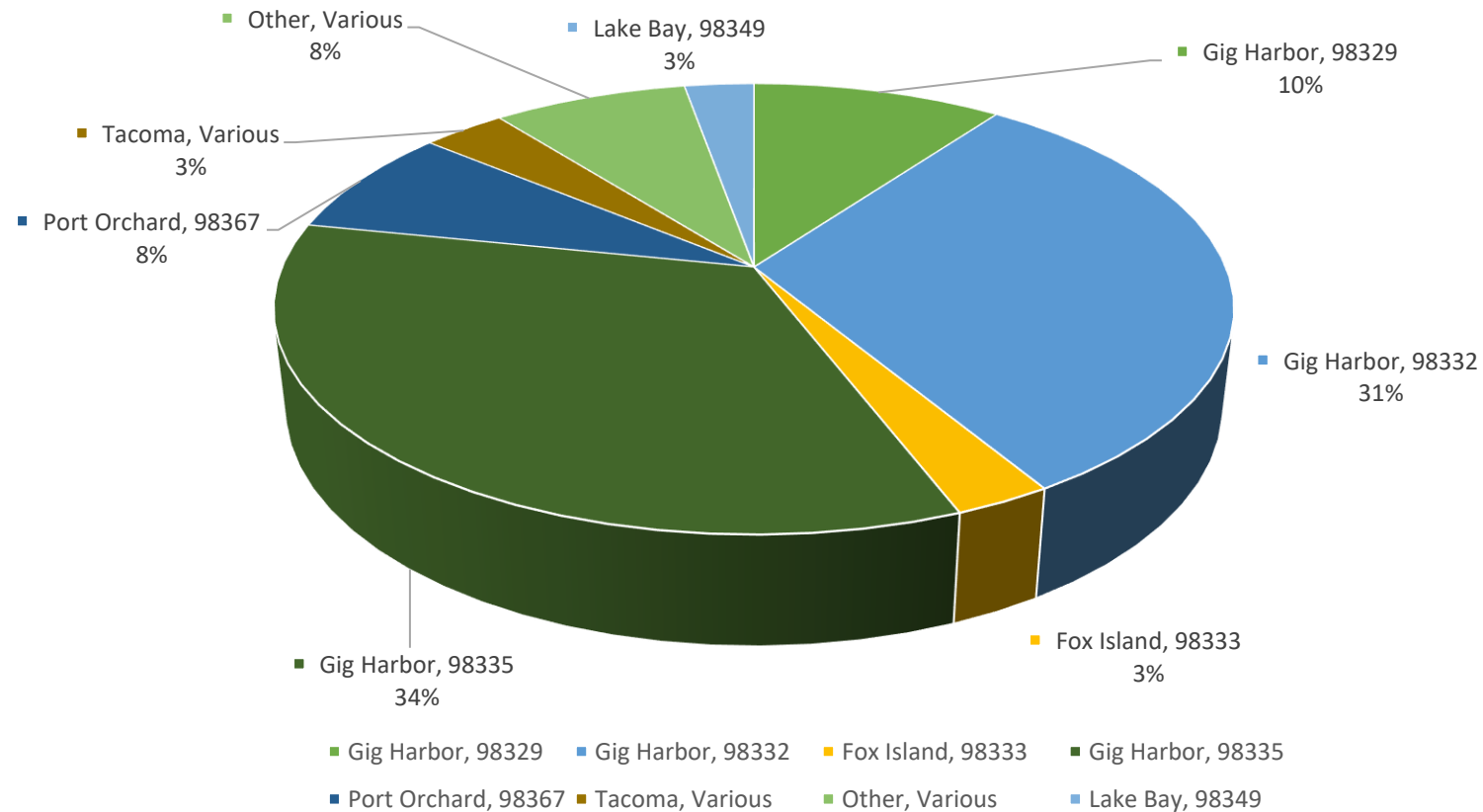
Total Event Expenses- Cookies		
Category	Budget	Actuals
Professional Fees	\$300.00	\$930.43
Wages	\$1,187.88	\$899.81
Benefits	\$154.42	\$161.18
Marketing	\$800.00	\$100.00
Operating Supplies	\$2,500.00	\$920.81
Total	\$4,942.30	\$3,012.23

Budget Summary



Attendees by Zip Code

Attendees by Zipcode



Looking Forward: Survey Results & Team Debrief Suggestions

Key themes included:

- Time Slots – longer time slots
- Facility – hold at larger facility
- Cookies – more cookies & onsite decorating
- General comments:
 - Nicely planned, great design to avoid lines. Appreciated the sign up for times too. This helped avoid parking issues.
 - Organized and festive, quick and easy holiday fun!
- Vast majority of comments were positive with many compliments.



Thank You!



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SPECIAL MEETING MINUTES

December 05, 2023, 4:30 PM

Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

Call to Order Time: 4:30 PM

Commissioner Roll Call:

	Present	Excused	Comment
Steve Nixon, President	X		
Maryellen (Missy) Hill, Clerk	X		
Amanda Babich	X		
Kurt Grimmer		X	
Laurel Kingsbury	X		

Quorum: Yes

ITEM 1 Reception

1a. Reception for Outgoing Commissioner Amanda Babich

ITEM 2 Adjournment Time: 4:55 PM

BOARD OF PARK COMMISSIONERS MEETING PROCEDURES

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Approved By the Board on _____

Board President

Board Clerk

Attest: Ally Bujacich



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STUDY SESSION MINUTES

December 05, 2023, 5:00 PM

Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

Call to Order Time: 5:01 PM

Commissioner Roll Call:

	Present	Excused	Comment
President Nixon	X		
Commissioner Hill	X		
Commissioner Babich	X		
Commissioner Grimmer	X		
Commissioner Kingsbury	X		

Quorum: Yes

ITEM 1 Board Discussion

1a. CRC Operating Plan

PowerPoint presentation by Director of Administrative Services Zemorah Murray and Director of Recreation Tracy Gallaway

Board Questions:

- What is the capacity of the party rooms? Staff Answer: The multipurpose room is 30-35, and the birthday room is 20-25.
- What is the total capacity for the whole facility? Staff will return with that answer.
- Who manages the schedules? Consider single point of accountability for answers to daily operations. How would you see expanding hours from a staffing perspective? Staff Answer: Scheduling for two staff minimum, one at the front desk and another to walk the facility.
- Is the janitorial contracted? Staff Answer: Yes
- For rental Rates, suggest using the organization price or resident/non-resident price. Look at simplifying and having one rental fee. Staff Answer: Helpful feedback for rental fees. Staff will bring this back to the board. Followed BRS Apex complex.
- Is there an opportunity to rent the whole facility for the day? Staff Answer: It would be an organizational rate.



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Board Comments:

- Sunday at 10:00 am seems like a late time to start for a weekend. It would be helpful to be consistent, maybe community outreach before setting hours.
- During the week, the basketball teams are in until 9:00 pm and set a stakeholder meeting for feedback. Hours of operation: programming and rentals could keep the building open until 10:00, but the building closes at 9:00 pm. Consider guidelines to deter league usage during open times.

ITEM 2 Adjournment Time: 6:02 PM

BOARD OF PARK COMMISSIONERS MEETING PROCEDURES

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Approved By the Board on _____

Board President

Board Clerk

Attest: Ally Bujacich

Submitted by: Robyn Readwin, Board Secretary



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REGULAR MEETING MINUTES

December 05, 2023, 6:00 PM

Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

Call to Order Time: 6:07 PM

Commissioner Roll Call:

	Present	Excused	Comment
President Nixon	X		
Commissioner Hill	X		
Commissioner Babich	X		
Commissioner Grimmer	X		
Commissioner Kingsbury	X		

Quorum: Yes

ITEM 1 President's Report

- 11/28 attended Zoom Pierce County meeting where ILA for funding for PenMet Parks was approved
- 12/5 met with community member and visited new CRC

ITEM 2 Executive Director's Report

- 12/9 Cookies with Mr. & Mrs. Claus is sold out; community is encouraged to bring food drive donations
- Giving Tree is located at CRC. Partnership with Gig Harbor Lions and Fish Foodbank
- New PenMet Parks permanent headquarters, 2416 14th Ave NW
- 12/12 registration opens for winter programs with a new variety of programs. Light refreshments are on hand for in-person registration.
- Change Order #2 Update
 - Should be \$33,231.00
 - Funding Source Definitions
 - Previous contract- deficiencies
 - Contingency- design oversight
 - Board Clarification Question: Line 166 – was it done? Staff Answer: Yes, but it wasn't replaced to the extent it needed to be.
- Thank outgoing Commissioner Babich for inspiring and encouraging high-level services. A shared extensive list of efforts since Jan 2016:
 - Synthetic turf infields at Sehmel Homestead Park
 - Youth sports provider
 - Defined recreational sports
 - Elevated youth sports
 - Millions of dollars in grants
 - Expanded stewardship methods
 - Capital projects



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- Turf field
- Historic Arletta
- Rosedale Hall start
- Feasibility Space for Seniors/Aquatics
- CRC strategy
- S&P stable credit rating
- National standards
- Long Range planning documents
 - Strategic Plan
 - 2 PROS Plans
 - Recreation Services Assessment

Point of order made by Commissioner to acknowledgment CRC Opening

ITEM 3 Special Presentations: None

ITEM 4 Board Committee Reports

- 4a. **Park Services Committee** – Has not met since last meeting.
- 4b. **Finance Committee** – Has not met since last meeting.
- 4c. **Administrative Services Committee** – Has not met since last meeting.
- 4d. **Recreation Services Committee** – Has not met since last meeting.
- 4e. **Campaign Committee** – Has not met since last meeting.
- 4f. **External Committees** – None

ITEM 5 Public Comments: None

ITEM 6 Minutes

- 6a. **Approval of the November 21, 2023 Study Session Minutes**
- 6b. **Approval of the November 21, 2023 Regular Meeting Minutes**
 Commissioner move to adopt the minutes as presented;
 Commissioner seconded;
 Roll call vote. Approved unanimously. Motion carried.

ITEM 7 Consent Agenda

- 7a. **Resolution C2023-017: Approval of the November Vouchers**
- 7b. **Resolution C2023-018: Ratifying the Amended Resolution RR2023-012 Adopting the Parks Recreation and Open Space Plan**
 Commissioner moved to adopt the consent agenda as presented;
 Commissioner seconded;
 Roll call vote. Approved unanimously. Motion carried.

ITEM 8 Unfinished Business



Peninsula Metropolitan Park District

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8a. Second Reading of Resolution RR2023-016: Adopting Amended Public Disclosure Policy

This Item was moved and seconded on November 21, 2023. There is a motion on the table.

No further staff presentation.

Board discussion: None

Roll call vote. Approved unanimously. Motion carried.

ITEM 9 New Business

9.1 Nominations of 2024 Board officers

Nominations for Board President: Maryellen “Missy” Hill

Nominations for Board Clerk: Laurel Kingsbury

The Board shall elect its officers at the first meeting of the new calendar year by a majority vote. The Board members elected as officers shall then immediately take office.

9.2 Purchasing Resolutions Requiring One Reading for Adoption: None

9.3 Single Reading Resolutions Requiring One Reading for Adoption:

9.3a Resolution R2023-016 Adopting the 2024 Legislative Priorities

Commissioner moved; Commissioner seconded.

Memo overview by Executive Director Ally Bujacich

Board discussion: None

Roll call vote. Approved unanimously. Motion carried.

9.4 Two Reading Resolutions Requiring Two Readings for Adoption:

9.4a First Reading of Resolution RR2023-017 Adopting the Amended Policy P50-103: Facilities Use Policy and Retiring Policy P50-101: Athletic Field Use Policy

Commissioner so moved;

Commissioner: Second.

Memo overview by Director of Administrative Services Zemorah Murray.

Board discussion: None

Second Reading will be at the January 9, 2023 Regular Meeting.

ITEM 10 Comments by Board

Commissioner Hill donated \$1,800 of legislative funds to sponsor three movies for the seniors in our community. Outgoing Commissioner Babich thanked Commissioners for their contributions; we have much to celebrate with more in the coming years. Ally, we could not have overcome the hurdles without you being here. I cannot thank you and the rest of the staff enough; we could not have done it without you.



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ITEM 11 Next Board Meetings

January 9, 2023 Study Session at 5:00 pm and Regular Meeting at 6:00 pm at the Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

ITEM 12 Executive Session

12a. Executive Session to Review the Performance of a Public Employee. RCW 42.30.110 (g)

The board is entered executive session at: 6:48 PM.

The estimated length of time for the executive session was 30 minutes.

The Board did not take final action following the executive session.

The Board did not extend the executive session.

The Board ended the executive session at: 7:08 PM

ITEM 13 Adjournment Time: 7:08 PM

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Approved By the Board on _____

Board President

Board Clerk

Attest: Ally Bujacich

Submitted by: Robyn Readwin, Board Secretary



Peninsula Metropolitan Park District

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SPECIAL MEETING MINUTES

December 19, 2023, 4:30 PM

Community Recreation Center Administration Office - 2416 14th Ave NW, WA 98335

Call to Order Time: 4:30 PM

Commissioner Roll Call:

	Present	Excused	Comment
Steve Nixon, President	X		
Maryellen (Missy) Hill, Clerk		X	
Amanda Babich	X		Zoom
Kurt Grimmer	X		
Laurel Kingsbury	X		Zoom

Quorum: Yes

ITEM 1 Public Comment Provided By:

- Andy Michels
- Betty Lilienthal

ITEM 2 New Business

2a. Resolution R2023-017 Authorizing the Executive Director to Execute the Interlocal Agreement with Pierce County, Washington for Appropriation of Park Impact Fee Funds

Commissioner moved; Commissioner seconded.

Memo overview by Executive Director Ally Bujacich and District Counsel Mark Roberts.

Board discussion: Comment by Commissioner Babich: Park Impact Fees are to be spent where they are collected by new development. Millions of dollars have been collected in PenMet Parks District boundaries, and zero dollars have been put back into our community so far. In 2016, 100% of new development park impact fees were promised, and we have tried to get data on what has been collected. The funds need to serve where they are collected. This amount and much more is due back to the residents. I hope the board continues to pursue this issue to make this right for our District residents.

Comment by Commissioner Kingsbury: echo what Commissioner Babich said and thank her for articulating our position clearly. I support this resolution now because it is what we have, and I will continue to pursue this so that our residents get all the money that is due to them.



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President Nixon commented in favor of the resolution: The formation of PenMet Parks does not relieve Pierce County of the obligation of what they are collecting taxes for in this region. This agreement is a beginning step. I want to thank Pierce County Executive Dammier, the County Council, and, in particular, Councilmember Denson and Senior Policy Analyst Mike Kruger for their work on this appropriation. Also, thank Executive Director Bujacich and Counsel Mark Roberts for bringing this resolution to the Board. Great example of a partnership to provide services with and through PenMet Parks. I look forward to continuing this work and advancing this relationship for the benefit of our unincorporated residents.

Roll call vote. Approved unanimously. Motion carried.

In consideration of Board Clerk Maryellen “Missy” Hill being excused, Commissioner Kurt Grimmer was appointed Clerk for 12/19/2023 meeting.

ITEM 3 **Comments by Board:** Commissioner Babich’s last meeting, thank you for your service. Thanks to Park District staff, we are sitting in the new building.

ITEM 4 **Next Board Meetings**

January 9, 2024 Study Session at 5:00 pm and Regular Meeting at 6:00 pm at the Arletta Schoolhouse at Hales Pass Park - 3507 Ray Nash Drive NW, Gig Harbor, WA 98335

ITEM 5 **Adjournment Time: 4:56 PM**

BOARD OF PARK COMMISSIONERS MEETING PROCEDURES

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Approved By the Board on _____

Board President

Board Clerk

Attest: Ally Bujacich

Submitted by: Robyn Readwin, Board Secretary



Peninsula Metropolitan Park District

RESOLUTION NO. C2024-001

APPROVING VOUCHERS FROM DECEMBER 2023

WHEREAS, the Peninsula Metropolitan Park District Board of Park Commissioners approved the 2023 operating budget in Resolution RR2022-010 and the 2023 capital budget in Resolution RR2022-011 on November 15, 2022; and

WHEREAS, expenditures are within the current resource projections at the fund level; and

WHEREAS, the Executive Director or his or her designee has certified that the materials have been furnished, the services rendered, or the labor performed as described, and that each claim represents a just, due, and unpaid obligation against the District;

NOW THEREFORE BE IT

RESOLVED by the Board of Park Commissioners of the Peninsula Metropolitan Park District that vouchers in the amounts and for the period indicated on Attachment "A" be approved for payment.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on January 9, 2024.

Board President

Board Clerk

Attest: Ally Bujacich



Attachment A to Resolution C2024-001

For the period beginning 12/05/2023 and ending 12/05/2023

Voucher # 231201001 through # 231201023 is approved for payment in the amount of \$56,487.46.

and

For the period beginning 12/12/2023 and ending 12/12/2023

Voucher # 231202001 through # 231202051 is approved for payment in the amount of \$163,539.48.

and

For the period beginning 12/18/2023 and ending 12/18/2023

Voucher # 231203001 through # 231203019 is approved for payment in the amount of \$66,685.08.

and

For the period beginning 12/26/2023 and ending 12/26/2023

Voucher # 231204001 through # 231204061 is approved for payment in the amount of \$734,061.59.

and

For the period beginning 12/27/2023 and ending 12/27/2023

Voucher # 231205001 through # 231205019 is approved for payment in the amount of \$180,298.60.



DISTRICT COMMISSION MEMO

To: Board of Park Commissioners

Through: Ally Bujacich, Executive Director

From: Zemorah Murray, Director of Administrative Services

Date: January 9, 2023

Subject: **Second Reading of Resolution RR2023-017 Adopting Amended Policy P50-103: Facilities Use Policy and Retiring Policy P50-101: Athletic Field Use Policy**

Background/Analysis

PenMet Parks manages public assets for the benefit of the community. The Board of Park Commissioners passed Resolution R2008-01 adopting Policy P50-101: Athletic Field Use on January 7, 2008 and Resolution R2014-04 adopting Policy P50-103: Facility Use Policy on March 3, 2014. Each policy has been amended since then. The purpose of these policies is to provide fair and equitable access to District properties and improvements to meet the needs of the community, to provide consistent procedures for administering community use of the properties and improvements, and to provide for responsible management of the District's properties and improvements at levels adequate to protect the public's investments. The individual policies serve as general guidelines for both prioritization and management of the District's properties and improvements.

Since the policies were last amended, PenMet Parks has expanded and improved the assets available to the community for public use. As the Community Recreation Center is completed, new assets will be available for community use. In addition, the population of the District's service area has grown over time, increasing the demands on the parks, fields, and courts.

Along with these changing conditions, an identified District priority is reviewing and elevating PenMet Parks' facility use program. As a result, staff recommend the Board amends Policy P50-103: Facilities Use Policy to reflect the following revisions:



- The proposed amended Policy P50-103: Facilities Use Policy combines the management of all physical assets under a single policy. Currently different categories of assets are managed under separate policies. If the amended Policy P50-103: Facilities Use Policy is adopted, Policy P50-101: Athletic Field Use Policy would be retired.
- Redefine and reprioritize User Groups to promote fair and equitable access to District assets.
- Remove procedural language to allow staff to make operational decisions with the approval of the Executive Director.

Policy Implications/Support

1. PenMet Parks' policy language provides for responsible management and equitable access to District assets for the benefit of the public.
2. The Board passed Resolution R2022-003 adopting 2023 goals and objectives, including the objective to review and elevate the District's facility use program, fee structure, and procedures.
3. The Board passed Resolution RR2023-013 adopting Policy P40-105: Pricing Policy.

Recommendation

Staff recommends the Board pass Resolution RR2023-017 approving the amended Policy P50-103: Facilities Use Policy and retiring Policy P50-101: Athletic Field Use Policy at its second reading.

Staff Contact

If you have any questions or comments, please contact Zemorah Murray at (253) 858-3400 or via e-mail at zmurray@penmetparks.org.

Attachments

- Exhibit A: Resolution RR2023-017



Peninsula Metropolitan Park District

RESOLUTION NO. RR2023-017

ADOPTING THE AMENDED POLICY P50-103: FACILITIES USE POLICY AND RETIRING POLICY P50-101: ATHLETIC FIELD USE POLICY

WHEREAS, PenMet Parks is accountable to its citizens for its use of public funds; and

WHEREAS, PenMet Parks manages properties and improvements for the benefit of the community; and

WHEREAS, Policy P50-103: Facilities Use Policy (Policy) provides for fair and equitable access to District properties and improvements to meet the needs of the community; and

WHEREAS, the Policy provides for consistent procedures for administering community use of the properties and improvements; and

WHEREAS, the Policy provides for responsible management of the District’s properties and improvements at levels adequate to protect the public’s investments; and

WHEREAS, The Board of Park Commissioners has passed several resolutions adopting policies regarding the use of these assets and wishes to further amend the Policy to continue to protect the public interest and ensure public trust;

NOW THEREFORE BE IT

RESOLVED by the Board of Park Commissioners that PenMet Parks adopts the amended Policy P50-103: Facilities Use Policy, attached as Exhibit A, which supersedes all previous versions of Policy P50-103 and retires Policy P50-101: Athletic Field Use Policy.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on January 9, 2024.

Board President

Board Clerk

Attest: Ally Bujacich



Peninsula Metropolitan Park District

Facilities Use Policy

Policy Number:	Resolution Number:	Date Approved:	Supersedes the following Resolutions and Policies:
P50-103	RR2023-017	January 9, 2024	<p><u>Athletic Field Use Policy</u> P50-101</p> <p>R2013-010 Adopted April 15, 2013</p> <p>R2010-017 Adopted June 21, 2010</p> <p>R2008-001 Adopted January 7, 2008</p> <p><u>Facilities Use Policy</u> P50-103</p> <p>R2017-009 Adopted December 11, 2017</p> <p>R2014-004 Adopted March 3, 2014</p>

Policy: **Facilities Use Policy**

Purpose: PenMet Parks manages properties and improvements for the benefit of the community. The purpose of this Facilities Use Policy is to provide fair and equitable access to District properties and improvements to meet the needs of the community, to provide consistent procedures for administering community use of the properties and improvements and to provide for responsible management of the District’s properties and improvements at levels adequate to protect the public’s investments.

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Section 1. Definitions

- A. Facilities: All PenMet Parks’ physical locations that are available for community use are considered a Facility.
- B. Indoor Meeting Rooms and Event Spaces: These Facilities provide indoor gathering spaces for parties, meetings, trainings, and special occasions. Examples include the Arletta Schoolhouse, Rosedale Hall, the Volunteer Vern Pavilion, and multipurpose rooms.
- C. Sports Courts and Fields: These Facilities provide active recreation opportunities for the community. Examples include outdoor tennis/pickleball courts, gymnasiums, turf fields (indoor and outdoor), the event lawn, mini golf course and baseball fields.
- D. Shelters: These Facilities provide cover for outdoor gatherings located within a park. Examples include the Hales Pass Picnic Shelter, Sehmel Homestead Park Picnic Shelter and the Rosedale Park Picnic Shelter.
- E. Other Outdoor Gathering Spaces: These Facilities include meadows, the Amphitheater at Sehmel Homestead Park and reservable picnic areas at other PenMet Parks’ properties.
- F. Local or Resident: Groups or organizations that primarily serve the residents within PenMet Parks’ district boundaries. Individuals are considered residents when they have an address within PenMet Parks’ district boundaries.
- G. Out of area or Non-resident: Groups or organizations that primarily serve the residents outside PenMet Parks’ district boundaries. Individuals are considered non-residents when they have an address outside PenMet Parks’ district boundaries.

- H. Public Agency: Entities that are funded by tax dollars such as a school district, city, county, state, park district, or other governmental agency.
- I. Periodic Use: One-time or infrequent use.
- J. League or Seasonal Play: This is typically regular play by a sports league or team that is part of a league. This also includes sports league or team that is part of a league practices and games.
- K. Tournament/Sports Event: A competition event between four or more teams.

Section 2. User Groups

Each of the following are “User Groups” for purposes of this policy.

- A. Individuals.
- B. Sports associations, leagues, and teams.
- C. Tax-funded agencies.
- D. Non-profit entities.
- E. Businesses or for-profit entities.
- F. Other organizations.

Section 3. Drop-In Use

Facilities that are not in use or after the scheduled use has concluded may be used on a drop-in basis without a reservation.

Drop-in use on unreserved Sports Courts or Fields is not intended for team practices or games when the team is part of an organized association or league. Games and practices related to an organized association or league must be scheduled within the times that have been reserved by the team, league or association.

Section 4. Scheduling Priorities

Some PenMet Parks’ properties are made available to the general public after previously scheduled programs, activities, clubs, and/or events in the following order of priority:

- A. PenMet Parks sponsored programs, activities, clubs, and events.
- B. PenMet Parks co-sponsored programs, activities, clubs, and events.
- C. PenMet Parks partner organizations or agencies with an agreement.
- D. Non-profit organizations serving youth, prioritized by the highest number of participants.
- E. Non-profit organizations serving adults, prioritized by the highest number of participants.
- F. Public agencies.
- G. Other non-profit organizations, prioritized by the highest number of participants.
- H. Local or resident commercial, private, or profit-making organizations and individuals, prioritized by the highest number of participants.

- I. Out-of-area or non-resident commercial, private, or profit-making organizations, and individuals, prioritized by the highest number of participants.

Section 5. Use Permits

A Use Permit is required to reserve a Facility.

Section 6. Use Permit Application Dates

Applications to reserve Sports Courts and Fields will be in trimesters for the following seasons: Spring/Summer, Fall, and Winter. All User Groups who wish to reserve a Facility are required to submit an application for a use permit. All Indoor Meeting Rooms and Event Spaces, Shelters and Other Outdoor Gathering Spaces will be scheduled on a first-come, first-served basis, up to twelve months in advance.

Section 7. Fees

Facility use fees are established by a Board adopted Fee Schedule. Tax funded agencies and non-profit organizations that meet the applicable criteria may receive up to a 25% discount on the published rental fee for certain Facilities.

Section 8. Roles and Authority

The Executive Director shall adopt rules, processes, and procedures to administer the Facilities Use Policy. The Executive Director or designee may make exceptions to the scheduling priorities, use permits, or application deadlines, when a significant public benefit exists.



DISTRICT COMMISSION MEMO

To: Board of Park Commissioners

Through: Ally Bujacich, Executive Director

From: Tracy Stirrett, Director of Development

Date: January 9, 2024

Subject: **Resolution R2024-001 Authorizing the Executive Director to Sign the Memorandum of Understanding with Peninsula Art League**

Background/Analysis

PenMet Parks enhances the quality of life by providing parks and recreation opportunities for our community, including by developing strategic partnerships to deliver services. Each of the District's short- and long-range planning documents, including the 2023 Strategic Plan, the 2023 Parks, Recreation, and Open Space Plan, and the adopted 2023 and 2024 goals and objectives, identify developing and expanding strategic partnerships to effectively provide services for our community. The District's adopted goals and objectives for 2024 prioritize implementing art in parks and expanding art programming for all ages.

Peninsula Art League (PAL) is a non-profit service organization established in 1988 that brings art to the community and community to the artist by providing programs to encourage and promote the arts through meetings, workshops, art exhibits, art scholarships, and art education. PAL membership has grown to 200 people including painters, printers, sculptors, photographers, potters, jewelry designers, glass and enameling artists, fiber artists, writers, teachers, and art lovers. For the past 37 years, PAL has hosted the region's largest summer arts festival.

The missions of PenMet Parks and PAL are centered around providing services for our community and share a common strategic aim to contribute to the vibrancy of our community. A partnership between the organizations will advance mutual goals, including the enhancement of inclusive spaces, events and programs that delight and engage the community. The two organizations have demonstrated the ability to increase the benefit to the community by partnering.



The Memorandum of Understanding (MOU) with PAL formalizes the partnership between PenMet Parks and PAL and defines the terms under which the parties will collaborate to benefit the public and defines the specific responsibilities of each party. For example, PAL will conduct programs, meetings, and trainings at PenMet Parks facilities and park properties, including holding the 2024 Summer Arts Festival at Sehmel Homestead Park. Public artwork installations at PenMet Parks facilities and parks including the planned Community Recreation Center and Sehmel Homestead Park will be curated and managed by PAL. The MOU provides for collaboration on these and other opportunities to benefit our community.

The MOU is not intended to encompass all circumstances, and special conditions or events may require a separate agreement.

Policy Implications/Support

1. The Board passed Resolution RR2022-012 on January 3, 2023, adopting the District's five-year Strategic Plan, which identifies the initiative to strategically identify key partners to augment the District's ability to offer services.
2. The Board passed Resolution R2023-004 on May 16, 2023, adopting the District's goals and objectives for 2024, including implementing art in parks and expanding art programming for all ages.
3. The Board passed Resolution RR2023-012 on October 17, 2023, adopting the 2023 Parks, Recreation, and Open Space Plan, which identifies the priority to advance organizational effectiveness through expanded partnerships, along with other measures.

Staff Recommendation

Staff recommends that the Board approve Resolution R2024-001 authorizing the Executive Director to sign the Memorandum of Understanding with Peninsula Art League.

Committee Recommendation

The Campaign Committee reviewed this action during its December 14, 2023, meeting with a recommendation to bring this action to the full Board for its approval.

Staff Contact

If you have any questions or comments, please contact Tracy Stirrett, Director of Development, at tstirrett@penmetparks.org or (253) 858-3400.



Attachments

Exhibit A: Resolution R2024-001



Peninsula Metropolitan Park District

RESOLUTION R2024-001

AUTHORIZING THE EXECUTIVE DIRECTOR TO SIGN THE MEMORANDUM OF UNDERSTANDING WITH PENINSULA ART LEAGUE

WHEREAS, the mission of Peninsula Metropolitan Park District is to enhance the quality of life by providing parks and recreation opportunities for our community; and

WHEREAS, the Board of Park Commissioners passed Resolution RR2022-012 on January 3, 2023 adopting the District's five-year Strategic Plan, which identifies the initiative to strategically identify key partners to augment the District's ability to offer services; and

WHEREAS, the Board of Park Commissioners passed Resolution R2023-004 on May 16, 2023 adopting the District's goals and objectives for 2024, including implementing art in parks and expanding art programming for all ages; and

WHEREAS, the Board of Park Commissioners passed Resolution RR2023-012 on October 17, 2023 adopting the 2023 Parks, Recreation, and Open Space Plan, which identifies the priority to advance organizational effectiveness through expanded partnerships, along with other measures; and

WHEREAS, PenMet Parks relies on community engagement and volunteerism to enhance the park and recreation opportunities it provides; and

WHEREAS, Peninsula Art League is a qualified 501(c)(3) non-profit organization that brings the community to the artist and art to the community; and

WHEREAS, PenMet Parks and Peninsula Art League recognize our growing community needs more park and recreation opportunities, including access to art; and

WHEREAS, PenMet Parks and Peninsula Art League further recognize that a collaborative relationship would enhance the services each organization currently provides to the community through increased efficiency; and

WHEREAS, a Memorandum of Understanding between PenMet Parks and Peninsula Art League benefits the community by formalizing the partnership and establishing the respective responsibilities of the parties;

NOW THEREFORE BE IT

RESOLVED, by the Board of Park Commissioners that the Executive Director is authorized to sign the Memorandum of Understanding with the Peninsula Art League in substantially the form attached as Exhibit "A".

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on January 9, 2024.

Board President

Board Clerk

Attest: Ally Bujacich

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
PENINSULA METROPOLITAN PARK DISTRICT
AND
PENINSULA ART LEAGUE**

This Memorandum of Understanding (MOU) is dated January 9, 2024 (for reference purposes only) and is by and between the Peninsula Metropolitan Park District, a Washington municipal corporation (PenMet Parks) and Peninsula Art League a Washington nonprofit corporation. PenMet Parks and Peninsula Art League are sometimes referred to collectively as the “Parties.”

RECITALS

WHEREAS, the mission of PenMet Parks is to enhance the quality of life by providing parks and recreation opportunities for our community; and

WHEREAS, PenMet Parks’ Strategic Plan adopted in 2023 identifies the initiative to strategically identify key partners to augment the District’s ability to offer services; and

WHEREAS, PenMet Parks relies on community engagement and volunteerism to enhance the park and recreation opportunities it provides; and

WHEREAS, Peninsula Art League is a 501(c)(3) non-profit organization that brings together creative people to share ideas, explore new techniques, and take part in activities that promote the arts since 1988; and

WHEREAS, the mission of Peninsula Art League is to bring community to the artist and art to the community; and

WHEREAS, Peninsula Art League’s strategic plan adopted in 2023 identifies the initiative to seek out and develop community partnerships to grow and strengthen Peninsula Art League’s ability to provide scholarships, feature member art, and obtain gathering spaces for art education and workshops.

WHEREAS, PenMet Parks and Peninsula Art League recognize our growing community needs more park and recreation opportunities; and

WHEREAS, PenMet Parks and Peninsula Art League further recognize that a collaborative relationship would enhance the services each organization currently provides to the community through increased efficiency and sharing of resources; and

WHEREAS, a Memorandum of Understanding between PenMet Parks and Peninsula Art

League benefits the community by formalizing the collaborative efforts and establishing the respective responsibilities of the parties.

Now, therefore, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I **PURPOSE**

PenMet Parks and Peninsula Art League each provide services to the community. This MOU sets forth the conditions under which PenMet Parks and Peninsula Art League will collaborate on park, recreation, and art related opportunities for the benefit of the public, the parameters of that collaboration, and the responsibilities of each of the parties. The Parties acknowledge that not all circumstances will be covered by this MOU and in some instances a separate agreement may be required.

ARTICLE II **MUTUAL RESPONSIBILITIES**

The parties agree to:

- 2.1 Work cooperatively to ensure appropriate, efficient communication in support of the objectives of this MOU.
- 2.2 Collaborate to advance the mission of each organization to benefit the community.
- 2.3 Perform marketing and outreach to the community for co-branded programs and services using each organization's typical platforms and resources.
- 2.4 Regularly share information about co-branded programs and services, and the successes and barriers to success with the intent to improve and support the programs and services in the future.
- 2.5 The parties will convene quarterly to discuss metrics, effectiveness of the collaborative effort and community benefit.
- 2.6 The parties will collaboratively develop an annual plan that advances the purpose of this MOU by November 1 of each year for the following calendar year.

ARTICLE III
PENINSULA ART LEAGUE RESPONSIBILITIES

Peninsula Art League agrees to:

- 3.1 Provide qualified volunteers to assist with PenMet Parks' procurement of artwork and programming as requested by PenMet Parks. The value of that volunteer or staff time shall be consistent with the current Value of Volunteer Time for Washington State as determined by Independent Sector or such other metric as the Parties may agree. Washington State value of each volunteer hour is currently \$37.63.
- 3.2 Recognize PenMet Parks as a sponsor of any Peninsula Art League program in which PenMet Parks provides supplies, facility space, property, and/or equipment to support such programs. The level of PenMet Parks' recognition will be commensurate with the estimated dollar value of PenMet Parks' contribution.
- 3.3 Curate artwork for display at PenMet Parks and art related educational content for PenMet Parks' use at PenMet Parks' properties and as requested by PenMet Parks.
- 3.4 Abide by PenMet Parks' applicable volunteer policies and procedures when providing Peninsula Art League volunteers for any PenMet Parks' co-sponsored event.
- 3.5 Submit a quarterly report to PenMet Parks documenting Peninsula Art League volunteer hours and the work performed during the previous quarter.
- 3.6 Always ensure that the monetary value contributed by Peninsula Art League to PenMet Parks is equal to or greater than the monetary value contributed by PenMet Parks to Peninsula Art League under this MOU.

ARTICLE IV
PENMET PARKS RESPONSIBILITIES

PenMet Parks agrees to:

- 4.1 Provide to Peninsula Art League suitable space within a PenMet Parks' facility or park property on mutually agreeable dates and times for Peninsula Art League meetings, programs, or trainings. Use of the facility and properties will be subject to the terms and conditions set forth in PenMet

Parks' standard facility rental agreement.

- 4.2 Endeavor to support Peninsula Art League's additional programs and events, when reasonably possible, through the use of PenMet Parks' facility space, properties, and/or equipment, in exchange for recognition as a sponsor of the program or event. The use of PenMet Parks' facility space, property, and/or equipment shall always be at the discretion of PenMet Parks and shall not result in a reduction in the services PenMet Parks provides to the community.
- 4.3 Acknowledge Peninsula Art League as the creator of artistic, educational and interpretive content it provides to PenMet Parks for PenMet Parks' use.
- 4.4 If PenMet Parks determines printed or fabricated materials related to the artistic, educational or interpretive collateral created by Peninsula Art League is desirable, PenMet Parks will provide for the printing, fabrication, installation, and maintenance of those materials.

ARTICLE V
TERM

This MOU is effective upon mutual execution by the Parties. The provisions in this MOU shall be reviewed annually by the Parties to determine if this MOU should continue and/or be modified. This MOU can be terminated, with or without cause, by either party upon thirty (30) days advance written notice to the other party delivered to the address listed below.

ARTICLE VI
NOTICE AND CONTACT INFORMATION

Any notice or other communication that is required or permitted to be given under this MOU shall be in writing and either delivered personally or sent by prepaid, first class U.S. mail to the following address:

Peninsula Art League Attn: Board President PO Box 1422 Gig Harbor, WA 98335	PenMet Parks Attn: Executive Director PO Box 425 Gig Harbor, WA 98335
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ARTICLE VII
INDEMNIFICATION

- 7.1 To the fullest extent permitted by law, Peninsula Art League shall indemnify and hold harmless PenMet Parks, its officials, officers, agents, employees, volunteers, and representatives, from any and all claims, demands, damages, suits at law or at equity, liabilities, losses, judgments, liens, expenses, and costs caused or alleged to be caused by the negligent and/or wrongful acts, errors, and/or omissions of Peninsula Art League, its employees, agents, representatives or volunteers relative to or in connection with Peninsula Art League activities or services covered hereunder, except for injuries and damages caused by the sole negligence and/or wrongful conduct of PenMet Parks. In the event of recovery due to the aforementioned circumstances, Peninsula Art League shall pay any judgment or lien arising therefrom, including any and all costs and attorney's fees as a part thereof.
- 7.2 To the fullest extent permitted by law, PenMet Parks shall indemnify and hold harmless Peninsula Art League, its officials, officers, agents, employees, volunteers, and representatives, from any and all claims, demands, damages, suits at law or at equity, liabilities, losses, judgments, liens, expenses, and costs caused or alleged to be caused by the negligent and/or wrongful acts, errors, and/or omissions of PenMet Parks' officials, officers, agents, employees, while acting within the scope of their employment as such, relative to or in connection with PenMet Parks' activities or services covered hereunder, except for injuries and damages caused by the sole negligence and/or wrongful conduct of Peninsula Art League. In the event of recovery due to the aforementioned circumstances, PenMet Parks shall pay any judgment or lien arising therefrom, including any and all costs and attorney's fees as a part thereof.
- 7.3 Where such claims, suits, or actions result from concurrent negligence and/or wrongful acts or omissions of each party, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each party's own negligence and/or wrongful acts or omissions. The Parties agree that their respective obligations under this section extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, each party by mutual negotiation, hereby waives, with respect to the other party only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that either party incurs any judgment, award, and/or cost arising therefrom, including attorneys' fees, to enforce the provisions of this section, all such fees, expenses, and costs shall be recoverable by the prevailing party. This indemnification shall survive the termination of this MOU.

ARTICLE IIX **INSURANCE**

Peninsula Art League shall provide proof of a comprehensive general liability insurance

policy in such amounts and in a form acceptable to PenMet Parks and naming PenMet Parks as an additional insured. PenMet Parks may require Peninsula Art League to provide other types of insurance depending upon the programs and activities involved.

ARTICLE IX **MISCELLANEOUS**

- 9.1 **No Third-Party Beneficiaries / Independent Capacity.** It is understood and agreed that this MOU is solely for the benefit of the Parties hereto and gives no right to any other person or entity. No partnership is formed as a result of this MOU. The employees or agents of each party who are engaged in the performance of this MOU shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.
- 9.2 **Disputes.** Any dispute as to the enforcement or interpretation of this MOU will be determined by binding arbitration conducted in accordance with the laws of the State of Washington.
- 9.3 **Severability.** If any term or condition of this MOU or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this MOU are declared severable.
- 9.4 **Waiver.** Waiver of any breach or condition of this MOU shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this MOU shall be held to be waived, modified or deleted except by an instrument, in writing, signed by the Parties hereto.
- 9.5 **Compliance with Laws.** The Parties shall comply with all applicable State, Federal and municipal laws, ordinances, regulations and codes in the performance of their respective duties and obligations specified in this MOU.
- 9.6 **Assignment.** This MOU is personal to the Parties. As a result, the Parties will not assign, transfer, or otherwise dispose of any of the privileges granted under this MOU without the prior written consent of the other Party.
- 9.7 **Amendment.** This MOU may be amended by mutual agreement of the Parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the Parties.
- 9.8 **Governing Law and Venue.** This MOU shall be construed and interpreted in accordance with the laws of the state of Washington and the venue for the resolution of any dispute under this MOU shall be in Pierce County. This MOU will not be construed either for or against PenMet Parks or Peninsula Art League but

will be interpreted in accordance with the general tenor of the language in an effort to reach an equitable result.

9.9 Entire Agreement. This MOU represents the entire agreement between the Parties and supersedes any prior oral statements, discussions or understandings between the Parties related to the subject matter herein.

PENINSULA ART LEAGUE	PENINSULA METROPOLITAN PARK DISTRICT
By: _____ Colette Smith Its Board President	By: _____ Ally Bujacich Its Executive Director
Date: January __, 2024	Date: January __, 2024



DISTRICT COMMISSION MEMO

To: Board of Park Commissioners

From: Ally Bujacich, Executive Director

Date: January 9, 2024

Subject: **Resolution R2024-002 Adopting the 2024 Budget Book**

Background / Analysis

The Board of Park Commissioners passed Resolution RR2023-014 adopting the 2024 annual operating budget and Resolution R2023-015 adopting the 2023 annual capital budget and capital improvement plan on November 21, 2023. The adopted budget advances the District's mission, vision, and strategic objectives and annual priorities for 2024 as identified in Resolution R2023-004.

The 2024 budget book describes the District's annual financial plan. It contains financial data supplemented by a narrative that illustrates how resources are balanced to advance our community's priorities for parks and recreation services and articulates the District's mission and vision, annual goals and objectives, priorities, and organizational structure that are supported by the budget. The budget book contains analyses, long-range revenue forecasts, and the 2024 six-year Capital Improvement Plan.

From time to time, the Executive Director may recommend adjustments to funding allocations based on internal or external factors. Any such adjustments would be made in accordance with the budgetary control policies described in Policy P40-101: Comprehensive Financial Management Policy.

Policy Implications/Support

1. Policy P40-101: Comprehensive Financial Management Policy Section 5(C) states, in part, "The operating budget shall serve as the annual financial plan for the District. It will serve as the policy document of the Board for implementing the Board's goals and objectives."
2. The Board passed Resolution RR2023-014 adopting the 2024 operating budget and Resolution RR2022-014 adopting the 2024 capital budget and capital improvement plan.



3. The Board passed Resolution R2023-004 adopting the goals and objectives for 2024.

Staff Recommendation

Staff recommends the Board pass Resolution RR2024-002 adopting the 2024 Budget Book.

Staff Contact

If you have any questions or comments, please contact Executive Director Ally Bujacich at (253) 858-3400 or via e-mail at executivedirector@penmetparks.org.

Attachments

Exhibit A: Resolution RR2024-002



Peninsula Metropolitan Park District

RESOLUTION R2024-002

ADOPTING THE 2024 BUDGET BOOK

WHEREAS, the Peninsula Metropolitan Park District (PenMet Parks) was formed in 2004 by a vote of the people and is authorized to deliver parks and recreation services under RCW 35.61; and

WHEREAS, Policy P10-101: Board Policy and Procedures states, in part, that PenMet Parks is accountable to its citizens for use of public dollars, and the limited financial resources of PenMet Parks must be wisely used to ensure adequate funding to support the services, public facilities, and infrastructure necessary to meet the community's present and future needs; and

WHEREAS, the Executive Director recommended an operating and capital budget for 2024 that advances the District's mission and prioritizes the adopted strategic goals and objectives; and

WHEREAS, the Board of Park Commissioners passed Resolution RR2023-014 adopting the 2024 operating budget; and

WHEREAS, the Board of Park Commissioners passed Resolution RR2023-015 adopting the 2024 capital budget and capital improvement plan; and

WHEREAS, Policy P40-101: Comprehensive Financial Management Policy states, in part, that the operating budget shall serve as the annual financial plan for the District and will serve as the policy document of the Board for implementing the Board's goals and objectives; and

WHEREAS, the 2024 budget book contains information describing the District's mission, vision, strategic goals, annual priorities, and organizational structure that are supported by the adopted budget allocations

NOW THEREFORE BE IT

RESOLVED, by the Board of Park Commissioners that PenMet Parks adopts the 2024 budget book entitled "Peninsula Metropolitan Park District Operating and Capital Budget 2024" attached as Exhibit A.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on January 9, 2024.

Board President

Board Clerk

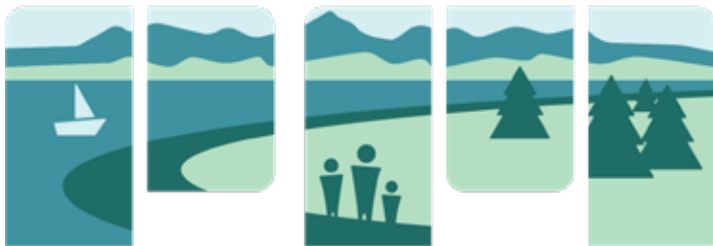
Attest: Ally Bujacich

Peninsula Metropolitan Park District



OPERATING AND CAPITAL BUDGET

2024



PenMet Parks
Parks For All. Parks For Life.

ORGANIZATION OVERVIEW

Peninsula Metropolitan Park District (PenMet Parks) was formed in 2004 by a vote of the people to provide park and recreation services on the Gig Harbor Peninsula. Since its inception, PenMet Parks has adapted to best serve the needs of our growing community. Today, PenMet Parks manages nearly 650 acres of parkland and provides a diverse array of recreation programs. The mission of PenMet Parks is to enhance the quality of life by providing parks and recreation opportunities for our community. The vision of PenMet Parks is to be a leader in promoting health and well-being in a thriving community.

PenMet Parks is governed by a five-member Board of Park Commissioners that are elected to serve six-year terms by voters in the area of unincorporated Pierce County west of the Tacoma Narrows Bridge and east of the Purdy Bridge. The Executive Director is appointed by the Board of Park Commissioners to serve as the District's Chief Executive Officer.



**Our mission is
to enhance the
quality of life
by providing parks
and recreation
opportunities
for our community.**

EXECUTIVE DIRECTOR'S BUDGET MESSAGE

Dear Peninsula Metropolitan Park District Honorable Board of Park Commissioners and Community Members,

I am pleased to present PenMet Parks' 2024 operating and capital budget. This budget strategically balances resources to enhance the quality of life by providing parks and recreation opportunities for our community. It represents a community-driven spending plan that supports your priorities for parks and recreation services and advances our shared vision for PenMet Parks to be a leader in promoting health and well-being in a thriving community.

In order to effectively serve, we must be responsive to our community's values. PenMet Parks has conducted extensive outreach to listen and learn about your priorities for parks and recreation services. Your feedback is reflected in the District's five-year Strategic Plan and in the comprehensive six-year Parks, Recreation, and Open Space Plan, both of which were finalized and published in 2023. Through these processes we learned that you visit a park to be close to nature, for personal fitness, and to spend time with friends and family. We learned that walking and hiking trails, access to water and water-based recreation, and regional parks are important to you. We learned that preserving our natural resources should be balanced with providing active recreation opportunities for everyone to enjoy.

The 2024 budget allocates funds to advance these and other priorities that our community has identified while reinforcing PenMet Parks' commitment to fiscal accountability through responsible and transparent spending. It strengthens the District's financial position by building strategic reserves designed to sustain services during changes in local and regional economic conditions and by diversifying alternative revenue sources to create organizational resiliency.

The budget supports completing and operating the new indoor Community Recreation Center, which will transform how PenMet Parks delivers services for our community. The 17-acre comprehensive recreation campus will house flexible facilities including a turf field, a gymnasium, walking track, and multi-purpose spaces. These indoor amenities are flanked by an outdoor event lawn that doubles as a youth soccer field and the extended Cushman Trail. Planned new revenues and expenditures associated with the Center are budgeted conservatively in 2024, and the facility is expected to be nearly 100% self-sustaining by the third year of operation.

The budget also supports other critical capital projects required to maintain and improve District infrastructure, including completing the restoration of Rosedale Hall, improvements at the Tacoma DeMolay Sandspit, and replacing aging systems across the District. These capital expenditures support our responsibility to preserve physical assets at a level adequate to protect capital investments and minimize future maintenance and replacement costs while maximizing the return to our community.

Thank you for entrusting PenMet Parks to steward these distinctive places and exceptional experiences that are a vital part of the identity of this remarkable community where we live, work, and play. It is our privilege to serve you.

Sincerely,



Ally Bujacich
Executive Director
Peninsula Metropolitan Park District

DISTRICT LEADERSHIP



Pictured from left to right: Laurel Kingsbury, Maryellen (Missy) Hill, Steve Nixon, Amanda Babich, Kurt Grimmer

BOARD OF PARK COMMISSIONERS

	Expiration of Term
Steve Nixon President	December 31, 2027
Maryellen (Missy) Hill Clerk	December 31, 2027
Kurt Grimmer Commissioner	December 31, 2025
Laurel Kingsbury Commissioner	December 31, 2025
Amanda Babich Commissioner	December 31, 2023
William C. (Billy) Sehmel Commissioner-elect	December 31, 2029

SENIOR LEADERSHIP

Ally Bujacich Executive Director	Sue O'Neill Director of Park Services
Robyn Readwin Executive Assistant	Zemorah Murray Director of Administrative Services
Tracy Gallaway Director of Recreation Services	Jessica Wigle Director of Finance and Technology Services
Tracy Stirrett Director of Development	



BUDGET RESOLUTIONS



Peninsula Metropolitan Park District

RESOLUTION RR2023-014

ADOPTING THE 2024 ANNUAL OPERATING BUDGET

WHEREAS, the Executive Director of the Peninsula Metropolitan Park District (PenMet Parks) has recommended a balanced budget and estimate of monies required to meet public expenses, bond retirement, interest, and the priorities, goals, and objectives for the 2023 as adopted by the Board of Park Commissioners on May 16, 2023 for the 2024 calendar year; and

WHEREAS, the detailed budget is specified in the Executive Director's 2024 annual operating budget; and

WHEREAS, notice was published in the official legal notices of the local newspaper on November 9, 2023, and November 16, 2023 that the Board of Park Commissioners would meet on November 14, 2023 and again on November 21, 2023 to consider the proposed budget and to allow the public an opportunity to be heard regarding the proposed 2024 budget; and

WHEREAS, the Board of Park Commissioners did meet at the time specified and offered the opportunity for interested taxpayers and members of the public to comment on the proposed budget as detailed below:

November 14, 2023

- First Public Hearing Regarding the Proposed 2024 Budget
- Public Hearing Regarding the Proposed 2023 Levy of Regular Property Tax for Collection in 2024
- Adoption of the 2023 Levy of Regular Property Tax for Collection in 2024

November 21, 2023

- Second Public Hearing Regarding the Final 2024 Budget
- Adoption of the 2024 Annual Operating Budget
- Adoption of the 2024 Annual Capital Budget and Capital Improvement Plan

WHEREAS, the proposed 2024 budget does not exceed the lawful limit of taxation as allowed to be levied by PenMet Parks for the purposes set forth in the budget, and estimated expenditures set forth in the budget is necessary to provide park and recreation services to the citizens and residents of PenMet Parks during the 2024 calendar year;

NOW THEREFORE BE IT

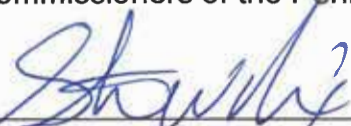
RESOLVED by the Board of Park Commissioners of Peninsula Metropolitan Park District that the 2024 Operating Budget be adopted, approved, and appropriated as follows:

Section 1. The required expenditures for calendar year 2024 at the fund levels as specified fixed in Exhibit A, attached hereto, and incorporated by reference into this resolution.

Section 2. The Secretary of the Board is directed to transmit a certified copy of the 2024 Capital Budget and 2024 Capital Improvement Plan as adopted by the Board of Park Commissioners of the Peninsula Metropolitan Park District to the State Auditor of Washington, Division of Municipal Corporations.

Section 3. This resolution shall take effect January 1, 2024 at 12:01 a.m.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on November 21, 2023.



Steve Nixon, Board President



Maryellen "Missy" Hill, Board Clerk



Attest: Ally Bujacich

Exhibit A to Resolution RR2023-014

Peninsula Metropolitan Park District 2024 Operating Budget

Fund	Beginning Balance	Revenues	Expenditures	Transfers in/out	Ending Cash (Reserve)
General Fund	\$2,938,952	\$9,609,917	(\$5,902,125)	(\$3,707,792)	\$2,938,952
Recreation Enterprise Fund	\$413,163	\$1,049,826	(\$1,462,008)	\$367,521	\$368,502
Facilities Enterprise Fund	\$0	\$442,138	(\$323,130)	\$14,420	\$133,428
Debt Service Fund	\$0	\$0	(\$1,353,771)	\$1,353,771	\$0
Debt Service Contingency Fund	\$1,000,000	\$0	\$0	\$200,000	\$1,200,000
Equipment Replacement Fund	\$621,736	\$0	(\$375,212)	\$0	\$246,524
Unrestricted Maintenance Reserve Fund	\$408,760	\$0	\$0	\$160,080	\$568,840
Maintenance Endowment Fund	\$446,016	\$9,000	(\$15)	\$0	\$455,001
Scholarship Fund	\$38,000	\$0	(\$50,000)	\$12,000	\$0
Totals	\$5,866,627	\$11,110,881	(\$9,466,261)	(\$1,600,000)	\$5,911,247



Peninsula Metropolitan Park District

RESOLUTION RR2023-015

ADOPTING THE 2024 ANNUAL CAPITAL BUDGET AND CAPITAL IMPROVEMENT PLAN

WHEREAS, the Executive Director of the Peninsula Metropolitan Park District has recommended a balanced budget and estimate of monies required to meet public expenses, bond retirement, interest, and the priorities, goals, and objectives for 2024 as adopted by the Board of Park Commissioners on May 16, 2023 for the 2024 calendar year; and

WHEREAS, a Six-Year Capital Improvement Plan (CIP) was developed for 2024; and

WHEREAS, Year One of the CIP serves as the Executive Director's 2024 annual capital budget; and

WHEREAS, notice was published in the official legal notices of the local newspaper on November 9, 2023, and November 16, 2023 that the Board of Park Commissioners would meet on November 14, 2023 and again on November 21, 2023 to consider the proposed budget and to allow the public an opportunity to be heard regarding the proposed 2024 budget; and

WHEREAS, the Board of Park Commissioners did meet at the time specified and offered the opportunity for interested taxpayers and members of the public to comment on the proposed budget as detailed below:

November 14, 2023

- First Public Hearing Regarding the Proposed 2024 Budget
- Public Hearing Regarding the Proposed 2023 Levy of Regular Property Tax for Collection in 2024
- Adoption of the 2023 Levy of Regular Property Tax for Collection in 2024

November 21, 2023

- Second Public Hearing Regarding the Final 2024 Budget
- Adoption of the 2024 Annual Operating Budget
- Adoption of the 2024 Annual Capital Budget and Capital Improvement Plan

WHEREAS, the proposed 2024 annual budget does not exceed the lawful limit of taxation as allowed to be levied by Peninsula Metropolitan Park District for the purposes set forth in the budget, and estimated expenditures set forth in the budget are deemed necessary to provide park and recreation services to the community during the 2024 calendar year;

NOW THEREFORE BE IT

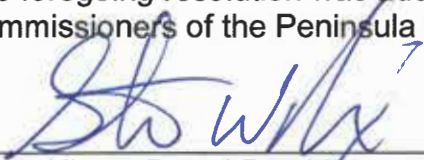
RESOLVED, by the Board of Park Commissioners of the Peninsula Metropolitan Park District that the 2024 Capital Budget and 2024 Capital Improvement Plan be adopted, approved and appropriated as follows:

Section 1. The required expenditures for the capital improvements for calendar year 2024 as specified and fixed in Exhibit A, attached hereto and incorporated by reference into this resolution.

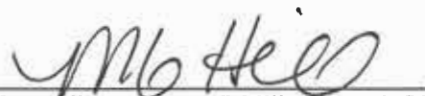
Section 2. The Secretary of the Board is directed to transmit a certified copy of the 2024 Capital Budget and 2024 Capital Improvement Plan as adopted by the Board of Park Commissioners of the Peninsula Metropolitan Park District to the State Auditor of Washington, Division of Municipal Corporations.

Section 3. This resolution shall take effect January 1, 2024 at 12:01 a.m.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on November 21, 2023.



Steve Nixon, Board President



Maryellen "Missy" Hill, Board Clerk



Attest: Ally Bujacich

Exhibit A to Resolution RR2023-015

Peninsula Metropolitan Park District 2024 Capital Budget

Fund Name	Beginning Balance	Revenues	Expenditures	Transfers in/out	Ending Cash (Reserve)
Capital Project Fund	\$27,437,196	\$2,339,977	(\$29,022,614)	\$1,600,000	\$2,354,559

Year	Priority	Property	Project	2024 Capital Budget
2024	1	CRC-I	Replace HVAC system	\$414,000
2024	2	District	Parking lot pavement upgrades	\$182,000
2024	3	District	Heavy equipment acquisition fund	\$50,000
2024	4	District	Implement signage master plan	\$282,000
2024	5	Madrona Links	Strategic priority– scope TBD	\$500,000
2024	6	Peninsula Gardens	Master plan	\$150,000
2024	7	DeMolay Sandspit	Island Blvd acquisition match	\$303,000
2024	8	Fox Island Fishing Pier	Improve beach access for hand launches	\$145,000
2024	9	Fox Island Fishing Pier	New picnic shelter	\$94,000
2024	10	District	Capital campaign initiative	\$279,564
Total 2024 CIP Expenses				\$2,399,564
2023 carryforward adopted capital expenses				\$26,623,050
Total 2024 Capital Budget				\$29,022,614

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APPENDIX

Appendix A: Comprehensive Financial Management Policy

Appendix B: Limited Tax General Obligation Bonds

Appendix C: Six-year CIP Project Detail





AGENCY PROFILE

PenMet Parks was formed by a majority vote of the people in 2004. Today, PenMet Parks serves approximately 40,000 residents on the Gig Harbor Peninsula within the unincorporated area of Pierce County west of the Tacoma Narrows Bridge and east of the Purdy Bridge. The District manages nearly 650 acres of parkland within its boundaries that span over 50 square miles. PenMet Parks provides recreational programming designed to serve all ages and abilities in the form of community programs that serve youth, teens, seniors, and special populations, recreational sports, and special events.

PenMet Parks' mission is to enhance the quality of life by providing parks and recreation opportunities for our community and its vision is to be a leader promoting health and well-being in a thriving community. Since its inception, PenMet Parks has found innovative and effective ways to meet the needs of the community by providing vitally important parks and recreation services. The District anticipates continued strong demand for high-quality programs and access to a diverse portfolio of well-maintained parks and properties.

PenMet Parks is principally funded through a regular property tax levy, with other revenues collected from sales tax, charges for services, and other sources.

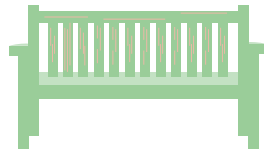


SYSTEMS AT A GLANCE

ASSETS



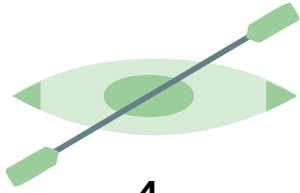
644
Acres



22
Parks



9
Buildings



4

Washington Water Trail Association Locations



8

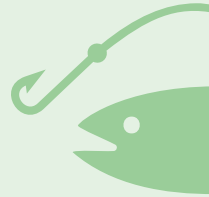
Designated Picnic Areas



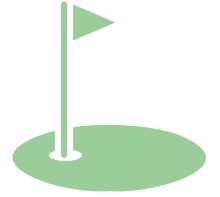
Sehmel
Homestead Park



Cushman Trail



Fox Island Fishing Pier



Madrona Links
Golf Course



4

Beaches



6

Multipurpose Fields



21 mi.
Trails



2

Dog Parks

PROGRAMS



Adaptive Recreation



Sports



Events



Fitness



Youth Programs



Art Programs



Summer Camps



Volunteers

PARK PROPERTIES



- DISTRICT BOUND** Item 11.2
- 1** **Sehmel Homestead Park**
10123 78th Ave. NW
 - 2** **Sunrise Beach Park**
10015 Sunrise Beach Dr. NW
 - 3** **McCormick Forest Park**
10301 Bujacich Rd.
 - 4** **Rotary Bark Park and Trails**
10100 Bujacich Rd.
 - 5** **Rosedale Park and Hall**
8205 86th Ave. NW
 - 6** **Hales Pass Park & Arletta Schoolhouse**
3607 Ray Nash Dr. NW
 - 7** **Harbor Family Park**
6620 32nd St. NW
 - 8** **Tacoma DeMolay Sandspit Nature Preserve**
53 Bella Bella Dr. FI
 - 9** **Madrona Links Golf Course**
3604 22nd Ave. NW
 - 10** **Narrows Park**
1502 Lucille Pkwy NW
 - 11** **Tubby's Trail Dog Park**
1701 14th Ave. NW
 - 12** **Fox Island Fishing Pier**
1453 Ozette Dr. FI
 - 13** **Community Recreation Center / Mini Golf**
2416 14th Ave. NW
 - 14** **Cushman Trail**
2416 14th Ave. NW
 - 15** **Kopachuck Heights**
Kopachuck and 56th St. NW
 - 16** **Wollochet Bay Estuary Park**
4508 Wollochet Dr.
 - 17** **Cedrona Bay Boat Launch**
13th Ave and Leschi Dr. FI
 - 18** **Peninsula Gardens**
5503 Wollochet Dr. NW
 - 19** **Maplewood Park**
14600 14th Ave NW
 - 20** **McKee Property**
Olympic View Drive NW
 - 21** **Peter's Pond**
82nd Ave NW

- BASEBALL FIELD
- DOG PARK
- GOLF COURSE
- BEACH
- COMMUNITY HALL
- FISHING SPOT
- PLAYGROUND
- TREES
- COMMUNITY CENTER
- HIKING TRAILS
- UNDEVELOPED PROPERTY

BUDGET DEVELOPMENT



BUDGET INTRODUCTION

The 2024 budget advances PenMet Parks' short- and long-term priorities and its mission to enhance the quality of life by providing parks and recreation opportunities for our community. The result is a comprehensive budget that is designed to maximize the community benefit of the services provided by PenMet Parks within available resources.

A BALANCED BUDGET

The \$9.5 million operating budget, which includes budgeted expenditures and interfund transfers in all operating funds, along with the \$29.0 million capital budget, represent a holistic approach to advancing the priorities of the District. The General Fund budget is balanced, with revenue equaling expenditures. The budget preserves the General Fund's \$2.9 million beginning balance, which functions as the District's Unrestricted Reserve Fund.

FUNDING SOURCES

The General Fund is funded primarily through a levy of regular property tax. Property taxes anticipated to be collected in 2024 reflect the 101% annual limit. Other funding sources include sales tax revenue, Second Real Estate Excise Tax (REET) Parks fund revenue, interest, facility rental and use fees, and other revenues.

The Recreation Enterprise Fund is primarily funded through participant fees and is supported by General Fund revenue and sponsorships. Budgeted fees reflect the District's policy to develop a fair and consistent fee schedule that balances affordability, fairness, and equity while maintaining the focus on providing high-quality programs that serve all ages and abilities. Programs include youth, teen, adult, and senior programs, adaptive and specialized recreation, camps, sports and fitness programs, and special events.

The Facilities Enterprise Fund, which is new in 2024, is funded through facility rental and use fees and membership fees and is supported by General Fund revenue. Net revenue from facility rentals and fees is transferred to the Unrestricted Maintenance Reserve Fund.

The Capital Project Fund is funded through a combination of transfers from the General Fund, anticipated grant funding, fundraised dollars, and interest income.

The Scholarship Fund is funded through a transfer from the Recreation Enterprise Fund.

All other operating funds not listed above are funded through transfers from the General Fund.

EXPENDITURES

Budgeted expenditures are allocated to reflect the priorities of the District. The factors guiding the priorities reflected within the 2024 budget include:

- ✓ **Mission:** The budget advances PenMet Parks' mission to enhance the quality of life by providing parks and recreation opportunities for our community.
- ✓ **Vision:** the budget advances PenMet Parks' vision to be a leader promoting health and well-being in a thriving community.
- ✓ **Strategic goals and objectives:** The budget advances the District's strategic plan and prioritizes 2024 goals and objectives adopted by the Board of Park Commissioners by Resolution R2023-004.
- ✓ **2023 Comprehensive Parks, Recreation, and Open Space (PROS) Plan:** the budget advances the recommendations contained in the PROS Plan for parks and recreation services that are responsive to the priorities our community has identified.

Operating expenditures reinforce the District's commitment to providing high-quality parks and recreation services for our community. Resources are allocated to advance organizational effectiveness, provide equitable access to recreation facilities, deliver high-quality parks and recreation facilities, and cultivate exceptional programming for all residents.

The 2024 budget designates funds to continue to build the voluntary Debt Service Contingency Fund and Unrestricted Maintenance Reserve Fund balances and create and maintain 90-day operating reserves in the Recreation Enterprise Fund and the new Facilities Enterprise Fund. These budget allocations are reflective of PenMet Parks' policy to provide sufficient cash flows to meet operating and capital expenses, while also providing the financial ability to address economic downturn and system emergencies. The 2024 budget increases strategic reserve funding by 20% from \$4.4 million in 2023 to \$5.2 million in 2024 across all operating funds.

Capital expenditures are based on the Capital Improvement Plan (CIP), which prioritizes projects using criteria designed to develop and preserve physical assets at a level adequate to protect the capital investment and minimize future maintenance and replacement costs while maximizing the return to the community. The 2024 CIP includes partially or fully funding 10 projects and initiatives that include implementing the signage master plan, enhancing beach access, developing a master plan for Peninsula Gardens, and addressing maintenance needs in several locations across the District.

- 1 Strategically engage partners to augment the District's ability to offer services for our community.
- 2 Utilize and promote PenMet Parks' unique natural resources.
- 3 Position PenMet Parks to be a leader in building community through parks and recreation.
- 4 Provide a balanced portfolio of services among parks, facilities, and programs that is responsive to community need.
- 5 Advance the strategic marketing and community outreach plan to build awareness and trust in the community.
- 6 Define core services and programs in support of the District's mission.
- 7 Develop a collaborative approach to budget development and financial decision-making.
- 8 Align program offerings with the inventory of assets and analysis of facility utilization.
- 9 Advance the development of a charitable foundation to support PenMet Parks.
- 10 Advance asset management and maintenance management systems to deliver efficient services.
- 11 Encourage staff development and accountability.
- 12 Define and advance the ideal organizational culture.
- 13 Create a roadmap to implement the Parks, Recreation, and Open Space Plan.

BUDGET STRUCTURE

FUND ACCOUNTING AND LIST OF FUNDS

PenMet Parks' accounting and budgeting systems are categorized on a fund basis. Funds are accounting entities used to record revenues and expenditures. With few exceptions, the budget is adopted by the Board at the fund level. District funds include:

GENERAL FUND

The General Fund is the principle operating fund of the District. Primary sources of revenue are property taxes, sales tax, Second REET Parks fund revenues, and interest income. Primary expenditures are operating expenses related to providing park and recreation opportunities for our community.

The General Fund also directs funding to other operating and capital funds through interfund transfers. In 2024, General Fund monies are budgeted to be transferred to the Recreation Enterprise Fund, Facilities Enterprise Fund, Debt Service Fund, Debt Service Contingency Fund, and the Capital Project Fund.

The General Fund also includes the Unrestricted Reserve Fund, which is the ending balance of the Fund.

RECREATION ENTERPRISE FUND

The Recreation Enterprise Fund (previously called the Recreation Revolving Fund) is used to support year-round recreation programs and special events for the community. Primary sources of revenue include fees for services, sponsorships, and an interfund transfer from the General Fund. Primary expenditures include direct costs for providing recreation programs and an interfund transfer to the Scholarship Fund.

In 2024, a reserve equivalent to 90 days of operating expenses is established in the Recreation Enterprise Fund. The ending balance of the Fund functions as the reserve.

FACILITIES ENTERPRISE FUND

The Facilities Enterprise Fund is established in 2024 to account for revenues and expenditures related to rental fees and membership fees. Primary sources of revenue include fees for facility rental and use and an interfund transfer from the General Fund. Primary expenditures include costs for providing, operating, and maintaining facilities for use by our community. Net rental revenue is transferred to the Unrestricted Maintenance Reserve Fund. (Facility use fees were collected in the General Fund in 2023.)

The Facilities Enterprise Fund includes a reserve equivalent to 90 days of operating expenses. The ending balance of the Fund functions as the reserve.

DEBT SERVICE FUND

The Debt Service Fund is used for the retirement of general, long-term debt. Sources of revenue are interfund transfers from the General Fund. Expenditures include payments for long-term debt.

DEBT SERVICE CONTINGENCY FUND

The Debt Service Contingency Fund is a voluntary reserve fund to provide financial security for debt obligations in the event of reduced funding because of pro-rationing or other economic factors. Sources of revenue are interfund transfers from the General Fund.

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is used to account for replacing major equipment that is at the end of its useful life. Use of this fund is restricted to capital equipment replacement and is funded at 100% of equipment replacement value divided by the number of years of useful life.

UNRESTRICTED MAINTENANCE RESERVE FUND

The Unrestricted Maintenance Reserve Fund is a voluntary reserve fund created in 2022 to provide financial security for ongoing park maintenance and operations in the event of reduced funding because of pro-rationing or other economic factors. Sources of revenue are net facility rental and use fees, which are directed to the Fund through interfund transfers from the Facilities Enterprise Fund in 2024. (Facility use fees were collected in and transferred from the General Fund in 2023.)

UNRESTRICTED AND RESTRICTED MAINTENANCE ENDOWMENT FUNDS

The long-range goal of the restricted and unrestricted maintenance endowment funds is to provide annual interest in an amount sufficient to fund the annual maintenance of all of the District's parks and facilities.

SCHOLARSHIP FUND

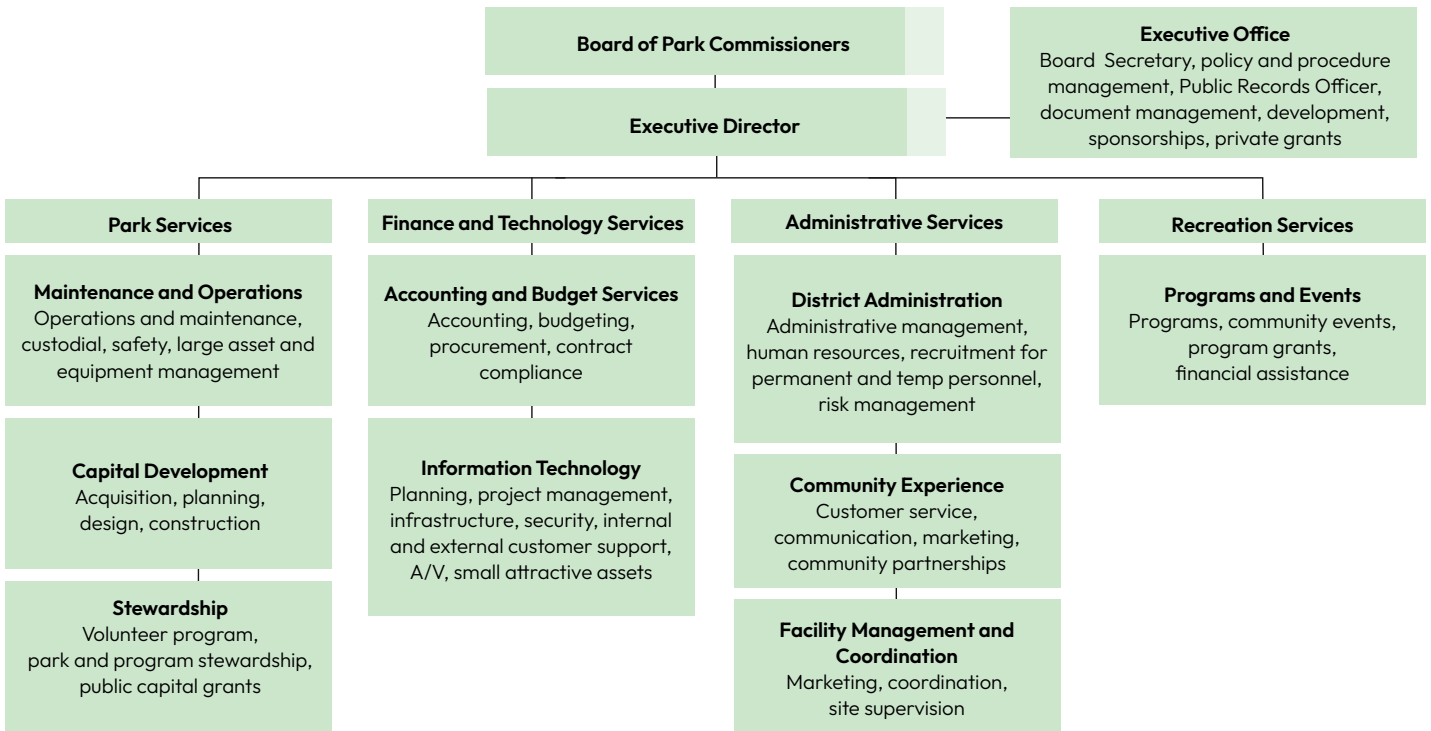
The Scholarship Fund accounts for revenues and expenditures related to the District's recreation scholarship program. Primary sources of revenue are interfund transfers from the Recreation Enterprise Fund. Expenditures include scholarships awarded.

CAPITAL PROJECT FUND

The Capital Project Fund is used to support the capital projects identified in the CIP. Primary sources of revenue in 2024 are interfund transfers from the General Fund, grants, fundraising, and investment income. In addition, there is a forecasted beginning balance of \$27,437,196 that includes carryforward funding of \$26.6 million for project expenses that were appropriated in prior budget years but are not yet complete. Expenditures include capital projects and initiatives.

ORGANIZATIONAL STRUCTURE AND FUNCTIONS

The District’s organizational functions are spread across four divisions and the Executive Office. The Park Services and Recreation Services divisions deliver the District’s core functions by providing park and recreation services for our community. These divisions are supported by the Administrative Services and Finance and Technology Services divisions, which provide centralized support services for internal and external customers. The 2024 budget closely mirrors the District’s organizational structure. The majority of the increase in personnel in 2024 is related to operating and maintaining the new indoor Community Recreation Center that is anticipated to be complete in 2024, with smaller personnel increases due to the increased provision of direct services with cost recovery targets.



2024 PERSONNEL SUMMARY			
Division	2023 FTEs	2024 FTEs	Net Change in FTEs
Executive Office	3.4	3.4	0
Administrative Services	5.3	9.8	4.5
Finance and Technology Services	5	5	0
Park Services	15.8	17.3	1.5
Recreation Services	12	13.1	1.1
Total	41.5	48.6	7.1

**FEB-
APR**

2023



Staff develops 2024 goals and objectives and Capital Improvement Plan (CIP) priorities.

APR

2023



Board reviews Executive Director's 2024 goals and objectives and CIP Priorities.

MAY

2023



Board adopts 2024 goals and objectives. Executive Director issues budget directives.

**MAY-
AUG**

2023



Staff prepare preliminary 2024 budget proposals.

SEPT

2023



Board reviews Executive Director's proposed draft 2024 CIP.

OCT

2023



Board reviews Executive Director's proposed draft 2024 Budget

NOV

2023



Board conducts public hearings for 2024 operating and capital budget proposals for public comment.

Board adopts 2024 operating and capital budgets.

JAN

2024



Staff implements adopted 2024 operating and capital budgets.

2024 OPERATING AND CAPITAL BUDGET SUMMARY



The 2024 operating budget is \$9,466,261, which includes all budgeted expenditures in the General Fund and enterprise funds, and interfund transfers to special operating funds. With the exception of the Recreation Enterprise Fund, ending balances for each operating fund are budgeted to be flat or increased in 2024. The combined ending balance of all operating funds in 2024 is budgeted to be \$5,911,247, or a 1% increase from the forecasted 2023 combined ending balance.

OPERATING BUDGET - SUMMARY OF REVENUES AND EXPENDITURES FOR ALL FUNDS

FUND	2023 FORECAST	2024 BUDGET	VARIANCE
<i>General Fund</i>			
Beginning Balance	\$2,930,836	\$2,938,952	0%
Revenues	\$10,659,537	\$9,609,917	-10%
Expenditures	(\$4,989,288)	(\$5,902,125)	18%
Transfers in/(out)	(\$5,662,133)	(\$3,707,792)	-35%
General Fund Ending Balance	\$2,938,952	\$2,938,952	0%
<i>Recreation Enterprise Fund</i>			
Beginning Balance	\$848,899	\$413,163	-51%
Revenues	\$789,709	\$1,049,826	33%
Expenditures	(\$1,175,445)	(\$1,462,008)	24%
Transfers in/(out)	(\$50,000)	\$367,521	-835%
Recreation Enterprise Fund Ending Balance	\$413,163	\$368,502	-11%
<i>Facilities Enterprise Fund</i>			
Beginning Balance	\$0	\$0	-
Revenues	\$0	\$442,138	-
Expenditures	\$0	(\$323,130)	-
Transfers in/(out)	\$0	\$14,420	-
Facilities Enterprise Fund Ending Balance	\$0	\$133,428	-
<i>Debt Service Fund</i>			
Beginning Balance	\$0	\$0	-
Revenues	\$0	\$0	-
Expenditures	(\$1,348,959)	(\$1,353,771)	0%
Transfers in/(out)	\$1,348,959	\$1,353,771	0%
Debt Service Fund Ending Balance	\$0	\$0	-
<i>Debt Service Contingency Fund</i>			
Beginning Balance	\$800,000	\$1,000,000	25%
Revenues	\$0	\$0	-
Expenditures	\$0	\$0	-
Transfers in/(out)	\$200,000	\$200,000	0%
Debt Service Contingency Fund Ending Balance	\$1,000,000	\$1,200,000	20%

<i>Equipment Replacement Fund</i>			
Beginning Balance	\$588,797	\$621,736	6%
Revenues	\$0	\$0	-
Expenditures	\$0	(\$375,212)	-
Transfers in/(out)	\$32,939	\$0	-100%
Equipment Replacement Fund Ending Balance	\$621,736	\$246,524	-60%
<i>Unrestricted Maintenance Reserve Fund</i>			
Beginning Balance	\$180,613	\$408,760	126%
Revenues	\$0	\$0	-
Expenditures	\$0	\$0	-
Transfers in/(out)	\$228,147	\$160,080	-30%
Unrestricted Maintenance Reserve Fund Ending Balance	\$408,760	\$568,840	39%
<i>Maintenance Endowment Fund</i>			
Beginning Balance	\$428,910	\$446,016	4%
Revenues	\$17,121	\$9,000	-47%
Expenditures	(\$15)	(\$15)	0%
Transfers in/(out)	\$0	\$0	-
Maintenance Endowment Fund Ending Balance	\$446,016	\$455,001	2%
<i>Scholarship Fund</i>			
Beginning Balance	\$0	\$38,000	-
Revenues	\$0	\$0	-
Expenditures	(\$12,000)	(\$50,000)	317%
Transfers in/(out)	\$50,000	\$12,000	-76%
Scholarship Fund Ending Balance	\$38,000	\$0	-100%
<i>Total Operating Budget</i>	2023 FORECAST	2024 BUDGET	VARIANCE
Beginning Balance - All Operating Funds	\$5,778,055	\$5,866,627	2%
Total Operating Revenues	\$11,466,367	\$11,110,881	-3%
Total Operating Expenditures	(\$7,525,707)	(\$9,466,261)	26%
Total Interfund Transfers	(\$3,852,088)	(\$1,600,000)	-58%
Total Ending Balance- All Operating Funds	\$5,866,627	\$5,911,247	1%

2024 OPERATING BUDGET SUMMARY - ALL FUNDS



The 2024 capital budget is \$29,022,614. Funding is appropriated to support the capital projects and initiatives identified in the 2024 Six-Year Capital Improvement Plan, as well as roll forward capital expenses that were budgeted but not expensed in prior years. Revenue reflects grants that were awarded but not yet received, new grants, capital campaign contributions, and interest income.

CAPITAL PROJECT FUND	2023 FORECAST	2024 BUDGET	VARIANCE
Beginning Balance	\$30,668,290	\$27,437,196	-11%
Revenues	\$1,461,228	\$2,339,977	60%
Expenditures	(\$8,370,578)	(\$29,022,614)	247%
Transfers in from General Fund	\$3,678,255	\$1,600,000	-57%
Capital Project Fund Ending Balance	\$27,437,196	\$2,354,559	-91%

2024 CAPITAL BUDGET SUMMARY



OPERATING BUDGET



GENERAL FUND REVENUE FORECAST

REVENUE FORECAST

PenMet Parks generates its funding from a variety of sources to provide parks and recreation services to our community. As an independent special purpose district, PenMet Parks relies on public tax dollars. Excluding the Unrestricted Reserve, property tax collections comprise 89% of the District's total revenue, followed by sales taxes at 6%, and other revenues at 5%.

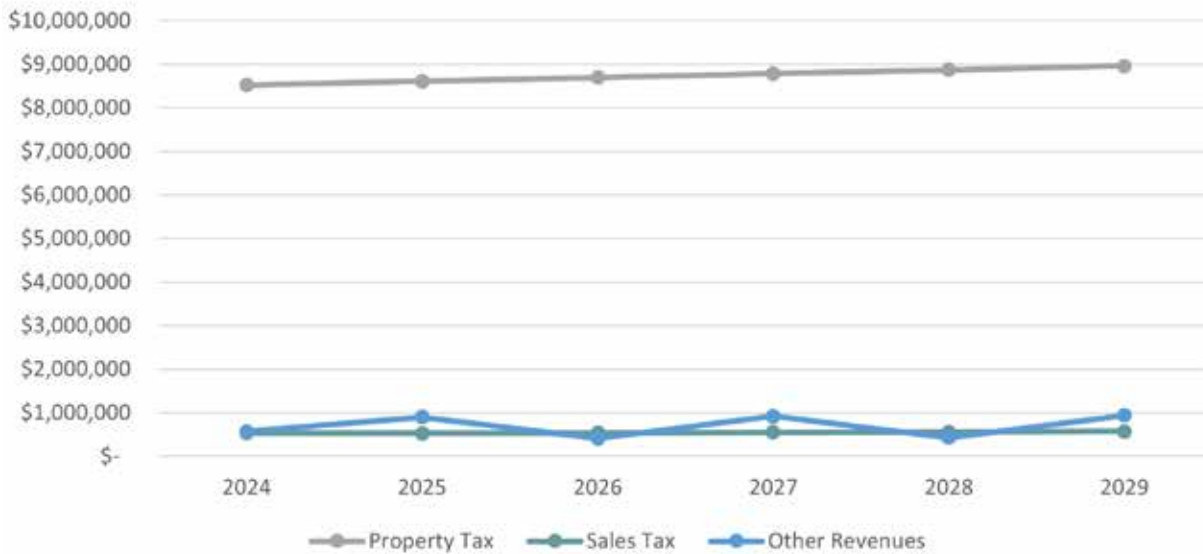
Regular tax levies are authorized by state law for taxing districts to be levied without voter approval and are established by the Pierce County Assessor's Office annually. The tax rate consists of the annual levy rate applied to the assessed value of taxable property within the District within the limit factors established by statute. PenMet Parks' maximum regular tax levy rate is \$0.75 per \$1,000 of assessed value. The preliminary actual rate in 2023 for collection in 2024 is \$0.58 per \$1,000 of assessed value.



GENERAL FUND REVENUE

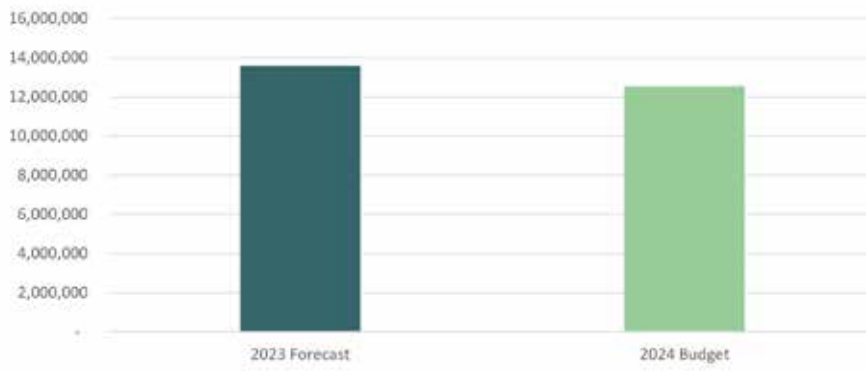
The six-year revenue forecast reflects a 1% annual property tax levy limit factor. Sales tax revenue is forecasted using historical and recent trends. Beginning in 2024, earned revenue related to rental and facility use fees that was previously accounted for in the General Fund is realized in the new Facilities Enterprise Fund. The revenue forecast reflects an interfund transfer from the Facilities Enterprise Fund to the General Fund to support expenses related to facility rentals and use such as custodial costs.

GENERAL FUND REVENUE FORECAST



The 2024 budgeted revenues for the General Fund are \$12,574,369, which includes a beginning balance of \$2,938,952. This balance acts as the District’s Unrestricted Reserve Fund, which is established to offset unanticipated economic downturns and to provide a sufficient cash flow for daily financial needs.

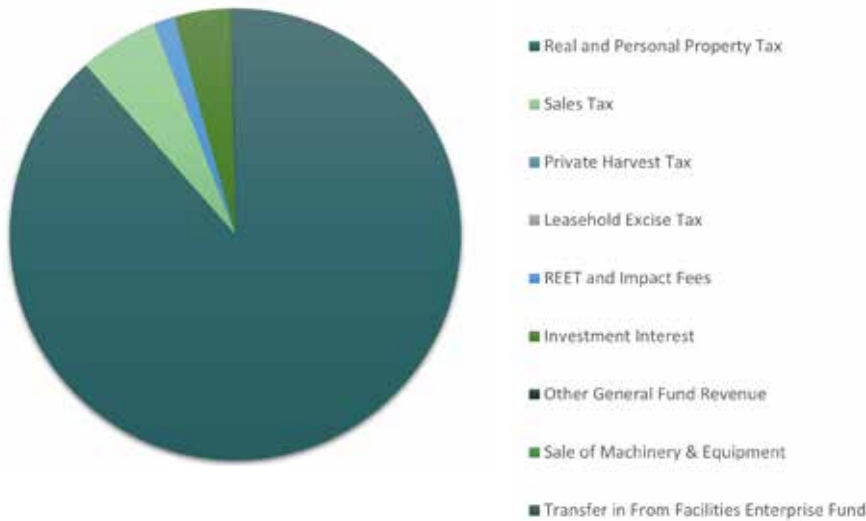
2024 TOTAL GENERAL FUND REVENUE



GENERAL FUND REVENUES BY SOURCE	2023 FORECAST	2024 BUDGET	VARIANCE
Unrestricted Reserve Fund	\$2,930,836	\$2,938,952	0%
Real and Personal Property Tax	\$8,378,566	\$8,524,917	2%
Sales Tax	\$540,000	\$540,000	0%
Private Harvest Tax	\$2,070	\$2,000	-3%
Leasehold Excise Tax	\$5,000	\$5,000	0%
REET and Impact Fees	\$618,600	\$143,000	-77%
Facility Rental Fees*	\$160,000	\$0	-100%
Investment Interest	\$825,000	\$380,000	-54%
Long Term Golf Course Lease*	\$70,800	\$0	-100%
Housing Rentals/Leases*	\$43,500	\$0	-100%
Concessions Lease Facilities*	\$1,000	\$0	-100%
Other General Fund Revenue	\$5,000	\$5,000	0%
Sale of Machinery & Equipment	\$10,000	\$10,000	0%
Transfer in from Facilities Enterprise Fund	\$0	\$25,500	-
	\$13,590,373	\$12,574,369	-7%

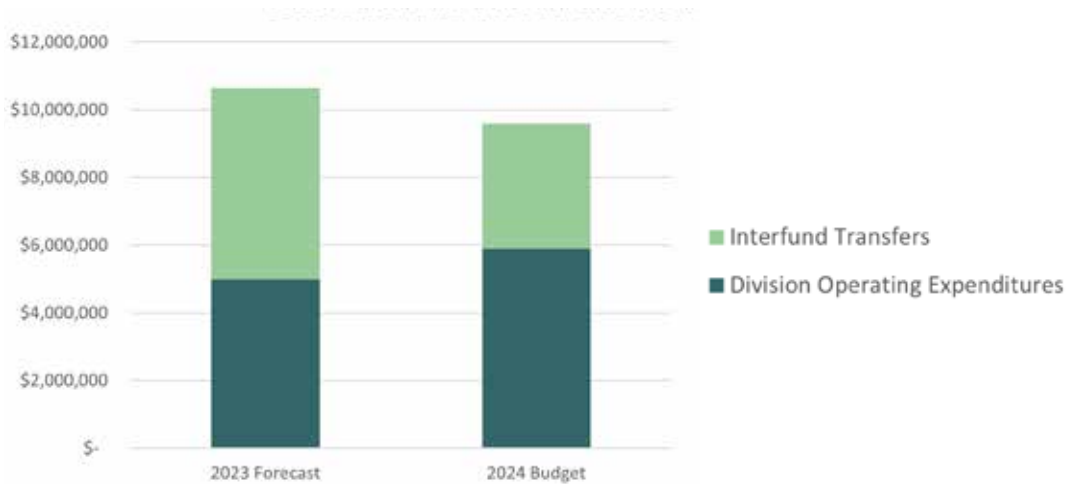
*Facility rental and use fees are realized in the Facilities Enterprise Fund in 2024

2024 GENERAL FUND REVENUE BY SOURCE



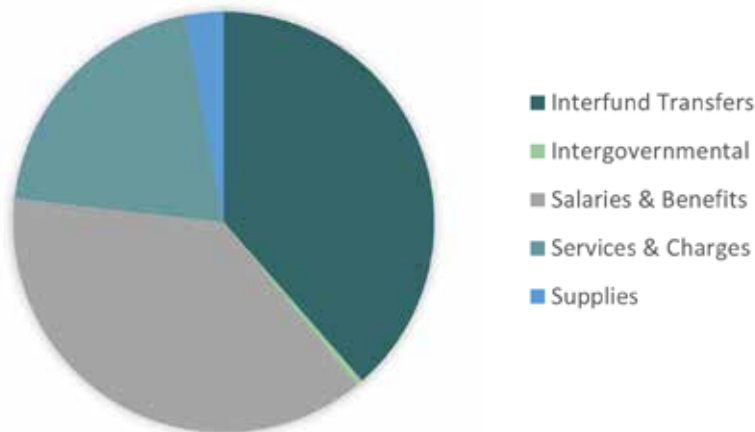
The 2024 budgeted General Fund expenditures are \$9,609,917, with \$5.9 million allocated to operating expenses and \$3.7 million allocated to interfund transfers. The total expenditures equal total new revenue for a balanced budget. The 2024 General Fund budget maintains the beginning balance of \$2,938,952, which acts as the Unrestricted Reserve Fund.

2024 GENERAL FUND EXPENDITURES

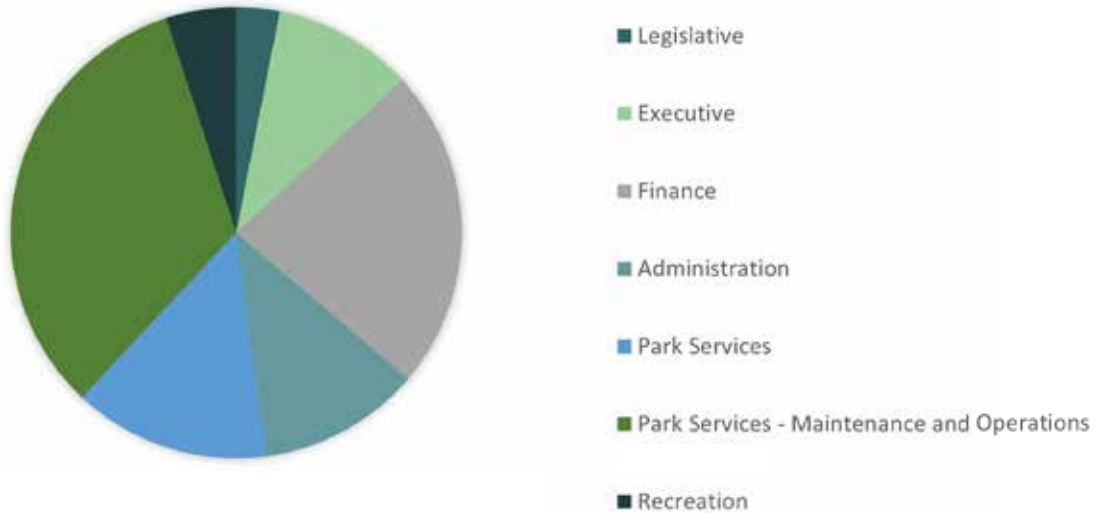


General Fund expenses include both division operating expenses and interfund transfers to the Recreation Enterprise Fund, Facilities Enterprise Fund, Debt Service Fund, Debt Service Contingency Fund, Equipment Replacement Fund, Unrestricted Maintenance Reserve Fund, and Capital Project Fund. Expenditures can be viewed from two perspectives: by expense type and by division.

2024 GENERAL FUND EXPENSES BY TYPE

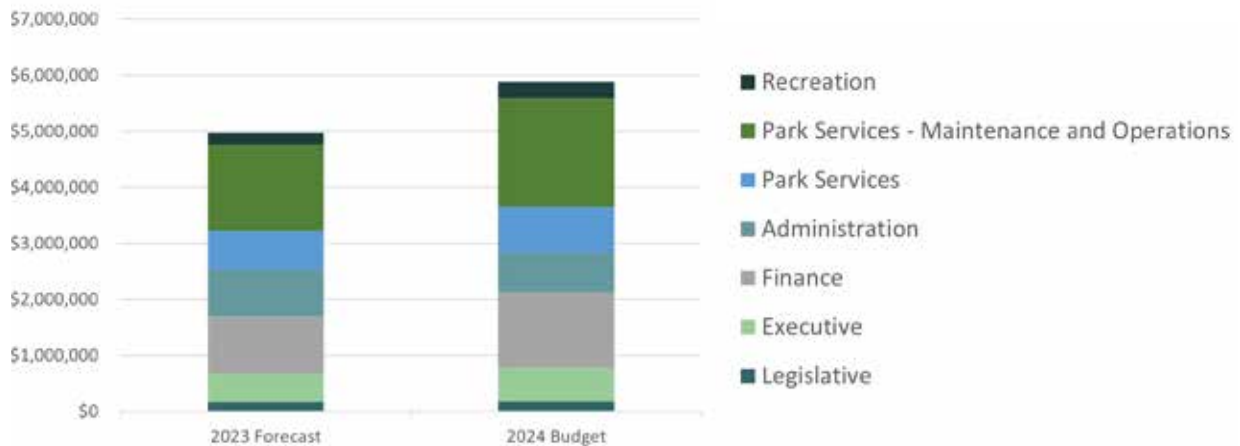


2024 GENERAL FUND EXPENSES BY DIVISION



Within the General Fund, budget is allocated to each division. The 2024 budget aligns with the District’s organizational structure. Excluding interfund transfers, the 2024 operating budget has increased by 18%, or approximately \$900,000 from the 2023 forecasted actual expenditures. The increase is primarily due to a conservative approach to budgeted expenses associated with the onboarding of the new indoor Community Recreation Center that is planned to open in 2024, increases in operating expenses, and cost savings in 2023 that reduced forecast expenditures by approximately 2%.

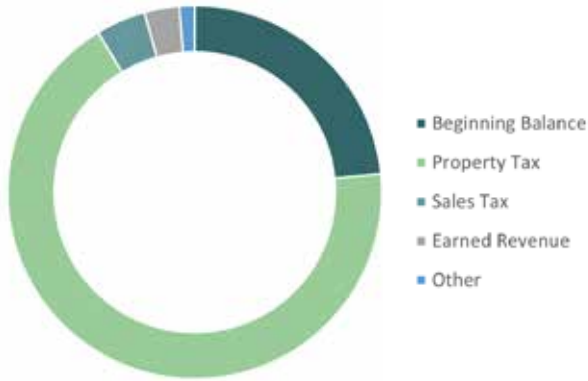
2024 GENERAL FUND OPERATING EXPENSES



GENERAL FUND

Where the money comes from

SOURCES %



GENERAL FUND

Item 11.2

What it pays for

EXPENSES %



REVENUE SOURCES & USES

SOURCES	%	2023 FORECAST	2024 BUDGET
Beginning Balance	23%	\$2,930,836	\$2,938,952
Property Tax	68%	\$8,378,566	\$8,524,917
Sales Tax	4%	\$540,000	\$540,000
Earned Revenue	3%	\$1,100,301	\$380,000
Other	1%	\$640,670	\$165,000
Total Sources	100%	\$13,590,373	\$12,548,869

EXPENSES BY DIVISION	%	2023 FORECAST	2024 BUDGET
Legislative	2%	\$172,675	\$183,095
Executive	6%	\$510,067	\$593,561
Finance	14%	\$1,020,702	\$1,357,515
Administration	7%	\$837,979	\$688,925
Park Services	9%	\$684,926	\$830,162
Park Services-Maint. & Operations	20%	\$1,541,653	\$1,943,414
Recreation Services	3%	\$207,387	\$297,553
Interfund Transfers	39%	\$5,662,133	\$3,707,792
Intergovernmental/Other Expenses	0%	\$13,900	\$7,900
TOTALS OPERATING EXPENSES	100%	\$10,651,422	\$9,609,917

CORE FUNCTIONS: Five elected Park Commissioners act as the governing body of PenMet Parks. The Board of Park Commissioners is responsible for approving the annual budget and the annual Capital Improvement Plan, and establishing the policy direction, goals, and objectives of the District.

LEGISLATIVE BUDGET SUMMARY

The 2024 budget expenses are related to the division’s core functions, including commissioner compensation, development, and legislative and election expenses anticipated for 2024.

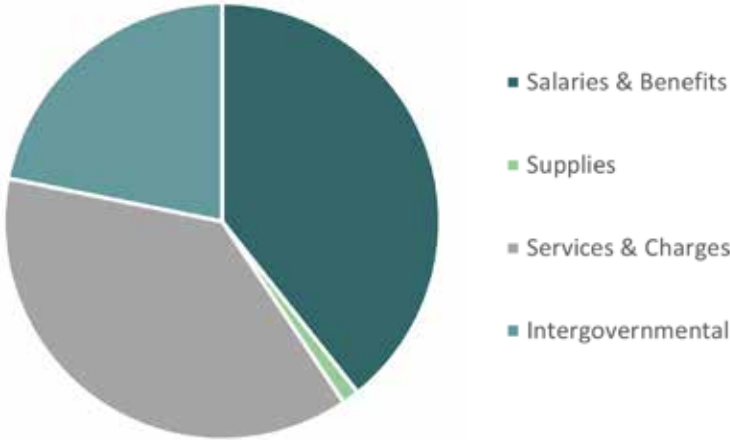
2024 PRIORITIES: The Board will work closely with the Executive Director to advance the District’s mission, vision, and strategic priorities, including delight and engage the community, balanced financial accountability, operational excellence, and inspired and accountable District.

Position PenMet Parks to be a leader in building community through parks and recreation:

- ✓ Advance PenMet Parks’ five-year strategic plan, 2023 Parks, Recreation, and Open Space Plan, and 2023 Fees & Services Assessment to enhance the quality of life by providing parks and recreation opportunities for our community.
- ✓ Utilize the planning documents, which were developed in collaboration with our community, as data-based tools that are rooted in public input to steer the District’s decision making, policy development, and annual strategic goals and objectives.



What it pays for



REVENUE SOURCES & USES

SOURCES	%	2024 BUDGET
General Fund Revenues	100%	\$183,095

Total Sources	100%	\$183,095
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EXPENSES	%	2024 BUDGET
Salaries & Benefits	39%	\$71,995.00
Supplies	1%	\$2,300.00
Services & Charges	38%	\$68,800.00
Intergovernmental	22%	\$40,000

Total Expenses	100%	\$183,095
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CORE FUNCTIONS

Under the direction of the Board of Park Commissioners, the Executive Director acts as the Chief Executive Officer of the District, having overall responsibility for managing the District and directly assisting the Board in the planning, organization, and administration of all government functions.

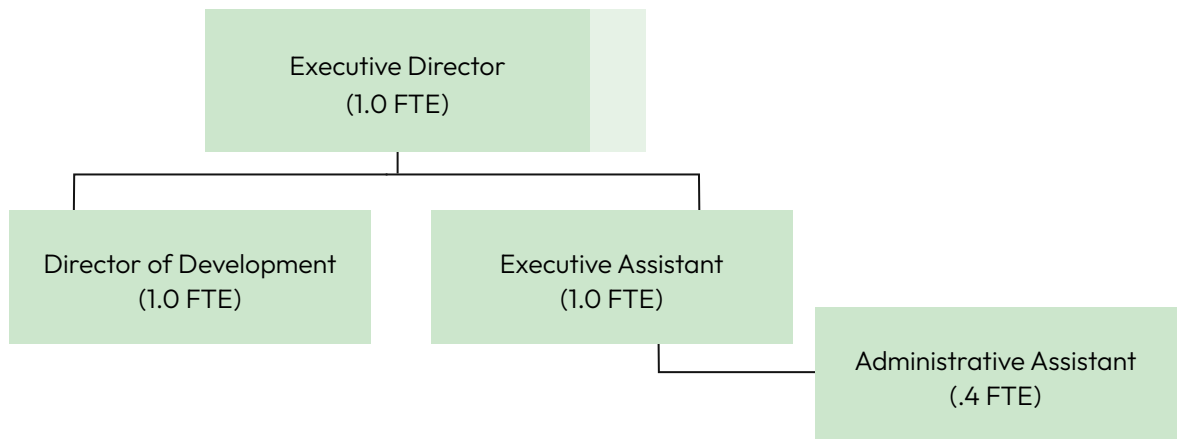
The Executive Director assists the Board in conducting the District’s business in all matters, assumes other responsibilities as the Board directs, ensures that the District’s mission and goals are incorporated into operational activities and services, and keeps the Board informed of District programs, activities, and events affecting District services.

The Executive Assistant serves as the Board Secretary and the District’s Public Records Officer.

In addition, the Executive Office is responsible for document management and advancing the District’s development priorities through giving, sponsorships, and private grants.

EXECUTIVE BUDGET SUMMARY

The 2024 budget expenses are related to the division’s core functions, including staff compensation and benefits, legal fees, the Executive Director’s discretionary fund, and expenses to further advance the development of a foundation to support PenMet Parks.



2024 PRIORITIES

1. Strategically engage partners to augment the District’s ability to offer services for our community.
2. Utilize and promote PenMet Parks’ unique natural resources.
3. Position PenMet Parks to be a leader in building community through parks and recreation.
4. Provide a balanced portfolio of services among parks, facilities, and programs that is responsive to community need.
5. Advance the strategic marketing and community outreach plan to build awareness and trust in the community.
6. Define core services and programs in support of the District’s mission.
7. Develop a collaborative approach to budget development and financial decision-making.
8. Align program offerings with the inventory of assets and analysis of facility utilization.
9. Advance the development of a charitable foundation to support PenMet Parks.
10. Advance asset management and maintenance management systems to deliver efficient services.
11. Encourage staff development and accountability.
12. Define and advance the ideal organizational culture.
13. Create a roadmap to implement the Parks, Recreation, and Open Space Plan.

Position PenMet Parks to be a leader in building community through parks and recreation:

- ✓ Advance the District’s mission, vision, values, and five-year strategic plan and themes, including delight and engage the community, balanced financial accountability, operational excellence, and inspired and accountable District. Track results and communicate progress internally and externally.
- ✓ Begin implementing the community-driven 2023 Parks, Recreation, and Open Space Plan and its objectives to advance organizational effectiveness, provide equitable access to recreation facilities, deliver high-quality parks and recreation facilities, and cultivate exceptional programs for all residents.
- ✓ Continue implementing findings from the Fees and Services Assessment related to resource allocation/cost recovery objectives and program and service delivery objectives.

Intentionally nurture key partnerships:

- ✓ Focus on strengthening relationships with strategic partners including agencies, organizations, service groups, and individuals to best serve the community and create operational efficiencies.
- ✓ Act as a leader in the community to help ensure recreational services and facilities are not duplicated, gaps are filled, and to promote productive communication and collaboration among community members.

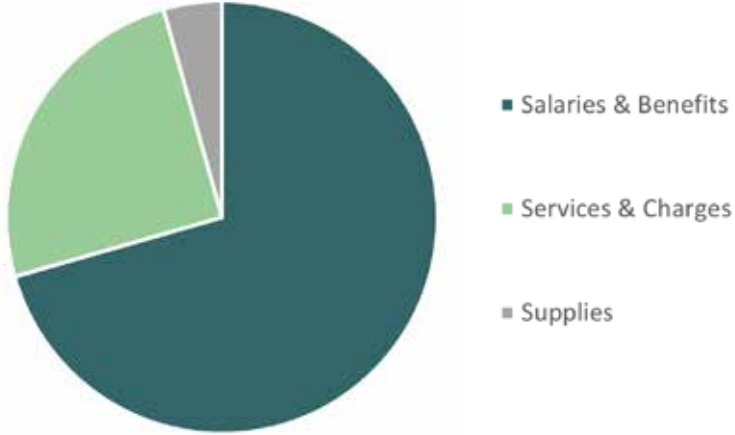
Advance the development of a charitable foundation to support PenMet

- ✓ Build on work completed to continue to advance the development of a charitable foundation to enhance parks and recreation in our community.

Leverage partnerships to efficiently deliver park and recreation services for our community:

- ✓ Continue to advance partnerships with community agencies, service organizations, and recreation service providers to support the District’s mission and vision.
- ✓ Seek partnership opportunities to expand services to underserved areas and populations.
- ✓ Identify budget areas for potential benefit from purchasing power.
- ✓ Seek program grants, sponsorships, partnerships, and other sources of alternative revenues to help meet cost recovery goals, enhance programs, and/or reduce fees.

What it pays for



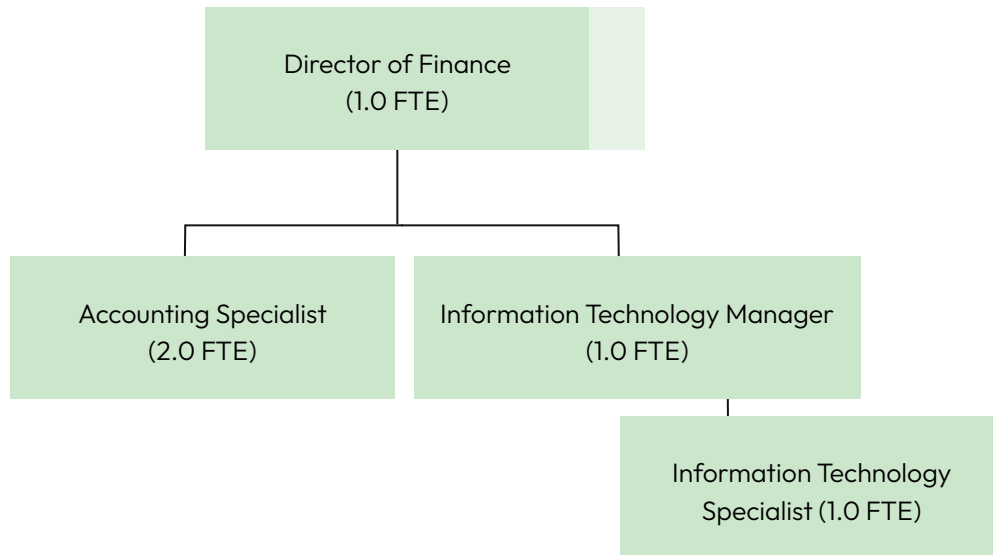
REVENUE SOURCES & USES		
SOURCES	%	2024 BUDGET
General Fund Revenues	100%	\$593,561
Total Sources	100%	\$593,561
EXPENSES		
	%	2024 BUDGET
Salaries & Benefits	71%	\$418,938
Services & Charges	25%	\$148,623
Supplies	4%	\$26,000
Total Expenses	100%	\$593,561

CORE FUNCTIONS

The Finance and Technology Services division supports the District in its mission to enhance the quality of life by providing parks and recreation opportunities for our community. The Finance and Technology Services division is responsible for accounting and budget services, procurement, contract compliance, and information technology.

FINANCE BUDGET SUMMARY

The 2024 budget expenses are related to division’s core functions including wages and benefits, supplies, and services. It contains resources to support financial and payroll fees, the cost of the technology hardware and software, phone and internet services, and support for internal and external customers. The 2024 budget includes new point of sale software and other operational expenses required to operate the new indoor Community Recreation Center that is planned to be complete in 2024.



2024 PRIORITIES

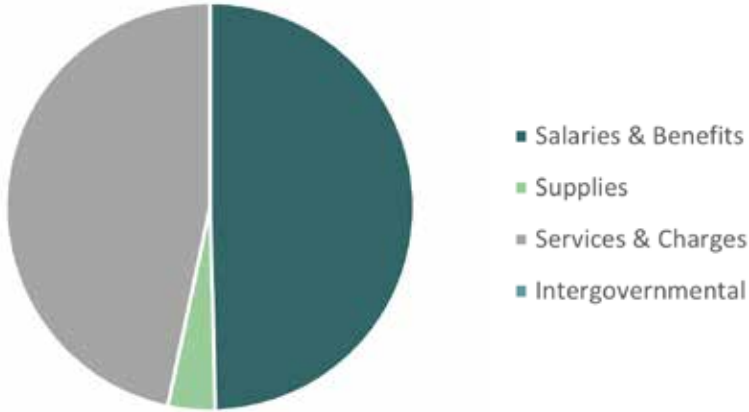
Develop a collaborative approach to budget development and financial decision-making:

- ✓ Advance collaborative processes to identify cost savings for all District functions as part of the annual budget development process.
- ✓ Implement the Pricing Policy and analyze cost recovery data. Use data to establish consistent, informed, and objective decision-making regarding fees for services that align with community priorities and build trust and transparency.

Enhance technology to improve customer service:

- ✓ Expand audio/visual systems and digital scheduling boards at certain facilities.
- ✓ Integrate technology to improve internal processes and efficiencies and to provide excellent internal and external customer service.

What it pays for



SOURCES	%	2024 BUDGET
General Fund Revenues	100%	\$1,357,515
Total Sources	100%	\$1,357,515

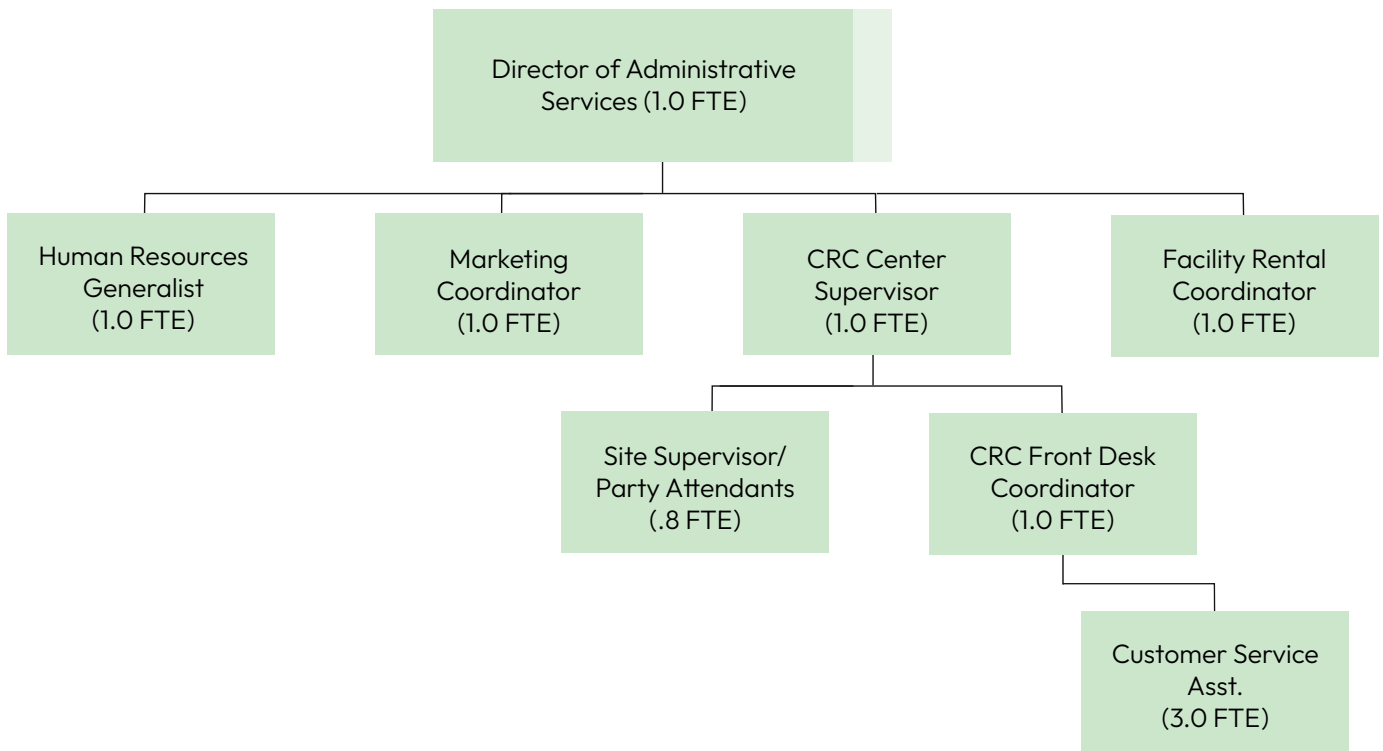
EXPENSES	%	2024 BUDGET
Salaries & Benefits	50%	\$673,123
Supplies	4%	\$51,005
Services & Charges	47%	\$633,387
Intergovernmental	0%	\$0
Total Expenses	100%	\$1,357,515

CORE FUNCTIONS

The Administrative Services division supports the District in its mission to enhance the quality of life by providing parks and recreation opportunities for our community. The Administrative Services division is responsible for administrative operations, human resources, internal and external communications, risk management, providing excellent customer service, and coordinating facility use by PenMet Parks and community members.

ADMINISTRATIVE SERVICES BUDGET SUMMARY

The 2024 budget expenses are related to division’s core functions including wages and benefits, supplies, and services. The budget contains resources required to support administrative operations, staff training, and development, memberships, emergency management, and communications and marketing. In 2024, direct expenses related to the provision of community use of facilities that were previously included in the Administrative Services budget are accounted for in the new Facilities Enterprise Fund.



2024 PRIORITIES**Utilize and promote PenMet Parks' unique natural resources—develop marketing materials and value propositions that highlight the benefits of District sites:**

- ✓ Create a broad campaign focused on PenMet Parks' abundant natural resources and opportunities for the community to engage with them.
- ✓ Communicate the steps PenMet Parks is taking to reduce consumption and our environmental footprint, conserve open space, and steward natural resources.

Advance the strategic marketing and community outreach plan to build awareness and trust in the community—enhance communication with the community:

- ✓ Enhance internal and external communication to build trust and broad awareness of the services offered by PenMet Parks.
- ✓ Explore alternative communication channels to reach more people in our community, particularly underserved populations.
- ✓ Survey and track internal and external customer satisfaction and establish baselines.

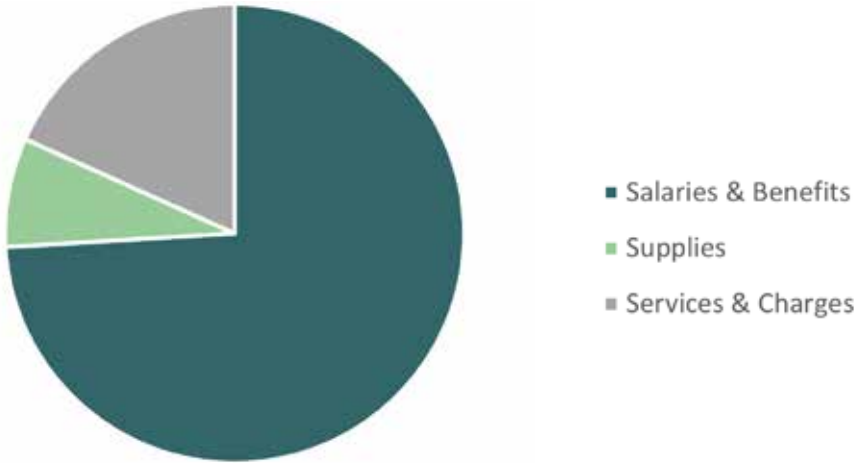
Align program offerings with the inventory of assets and analysis of facility utilization—analyze PenMet Parks' recreation facility asset utilization:

- ✓ Analyze the utilization of internal recreation facilities and determine opportunities to expand services within existing resources.

Encourage staff development and accountability through the creation of individual career development plans:

- ✓ Develop individual career development plans and create accountability measures for staff and supervisors to advance development plans each year.
- ✓ Track percentage of in-house promotions and survey employees for satisfaction toward training.

What it pays for



REVENUE SOURCES & USES		
SOURCES	%	2024 BUDGET
General Fund Revenues	100%	\$688,925
Total Sources	100%	\$688,925
EXPENSES	%	2024 BUDGET
Salaries & Benefits	74%	\$510,210
Supplies	8%	\$52,954.00
Services & Charges	18%	\$125,761.00
Total Expenses	100%	\$688,925

CORE FUNCTIONS

The Park Services division is responsible for planning, developing, operating, and maintaining the District’s physical assets and for PenMet Parks’ stewardship programs.

PARK SERVICES

The Park Services department implements and oversees planning, design, and construction from project inception to close out to improve the District’s physical assets. The department is responsible for completing and implementing planning documents, securing public capital grant funding, and managing District stewardship programs, including the volunteer program and Park Enhancement Grant (PEG) program.

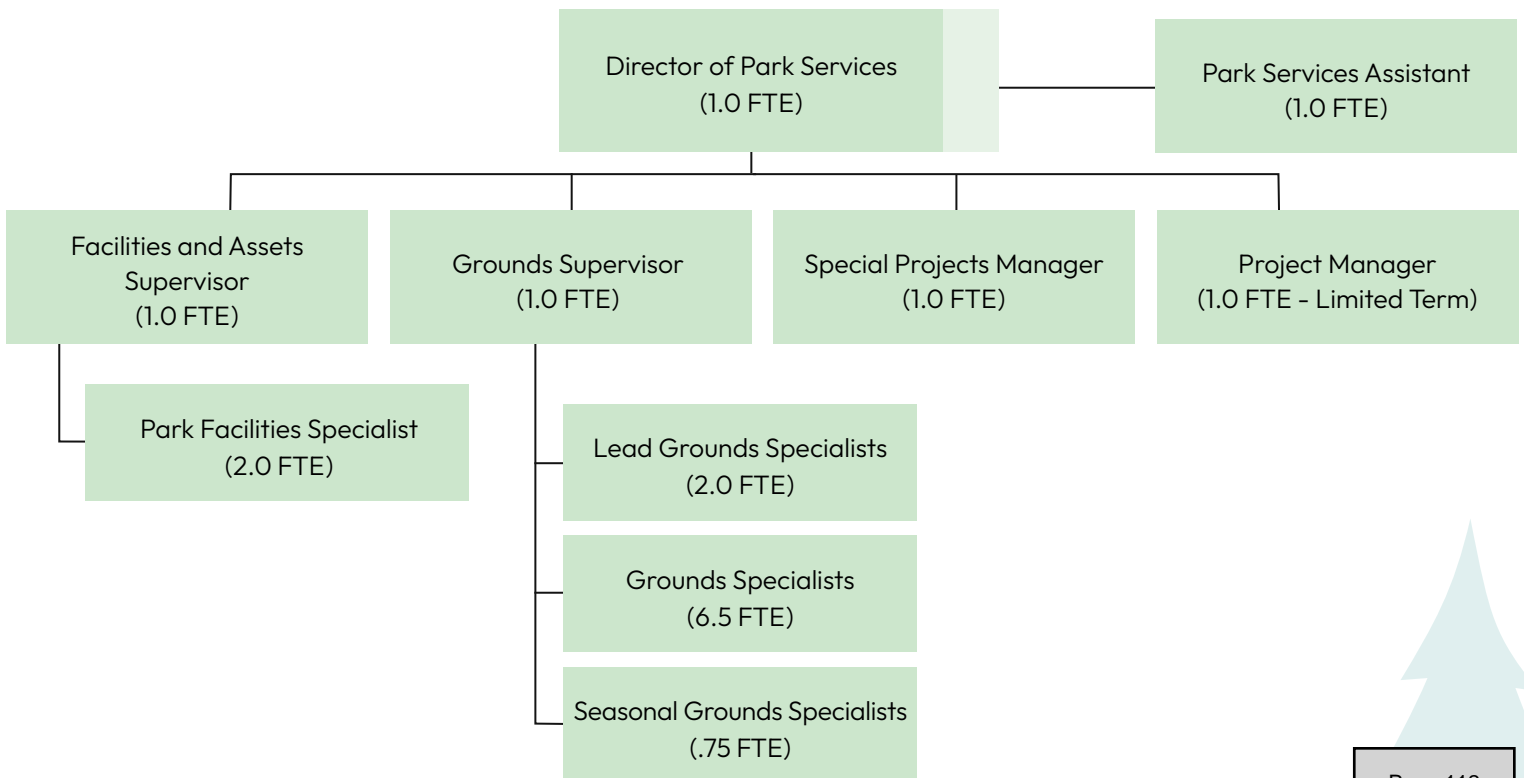
PARK SERVICES - MAINTENANCE AND OPERATIONS

The Maintenance and Operations department conducts ongoing maintenance and operations to ensure District physical assets are safely and effectively operated to meet identified levels of service. The department is responsible for managing the District’s fleet of vehicles and equipment and oversees the District’s safety program.

PARK SERVICES BUDGET SUMMARY

The 2024 Park Services budget expenses are related to division’s core functions including wages and benefits, supplies, and services. The budget allocates resources for completing the facilities condition audit, advancing asset management systems, capital project and planning support, grant writing, and other services and supplies required to advance division goals.

The 2024 Park Services – Maintenance and Operations budget expenses include wages and benefits, supplies, contracted services, equipment maintenance and rentals, and utilities. The budget provides resources for a staff safety and training program, ongoing internal and contracted operations such as custodial and arborist services, and maintenance supplies and services. The 2024 budget includes additional maintenance staff, services, utilities, and supplies required to operate the new indoor Community Recreation Center that is planned to be complete in 2024.



2024 PRIORITIES

Pursue diverse grant funding opportunities to support capital projects:

- ✓ Create a six-year grant funding forecast based on potential grant opportunities. Prioritize grants based on strategic priorities identified in the Parks, Recreation, and Open Space Plan. Align the six-year Capital Improvement Plan priorities with potential grant funding.

Complete all phases of the facilities condition audit and develop a forest management plan:

- ✓ Complete the facilities condition audit and create a forest management plan to establish the current health of our forests and track progress.

Implement art in parks:

- ✓ Prioritize implementing artwork in parks and facilities within budgetary framework. Allocate a portion of capital project budgets to purchasing artwork when feasible and appropriate. Research potential partnership opportunities.
- ✓ Artworks will create passive and active recreation opportunities, can highlight and promote the District's unique natural resources, and attract visitors to parks to engage more community members.

Strategically implement outcomes from the Parks, Recreation, and Open Space Plan:

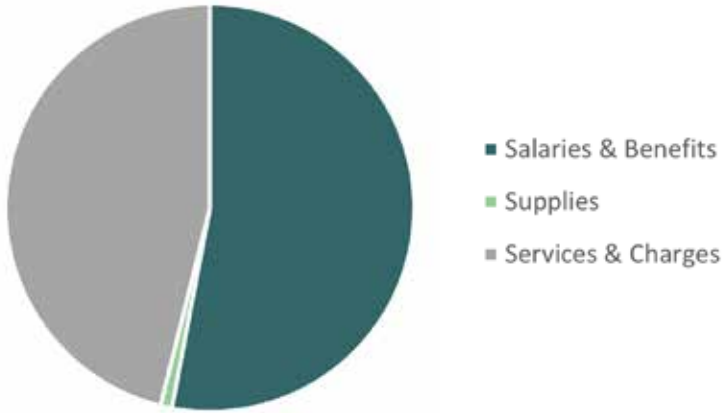
- ✓ Implement the identified level of service for park maintenance and operations and operations assessment recommendations identified in the Parks, Recreation, and Open Space Plan. Clearly define the standard of care for each park that is attainable within budget allocations.

Advance asset management and maintenance management systems to deliver efficient services and to efficiently preserve assets:

- ✓ Integrate and advance asset management, fleet, security, and facility condition audit data and software to fully implement a centralized total asset and maintenance management system.
- ✓ Use data and technology to implement efficiencies, inform decision-making, and preserve District assets at the lowest feasible cost.
- ✓ Create, monitor, and report on measurable performance metrics to gauge success and identify opportunities for continuous improvement.



What it pays for



REVENUE SOURCES & USES

SOURCES	%	2024 BUDGET
General Fund Revenues	100%	\$830,162
Total Sources	100%	\$830,162

EXPENSES	%	2024 BUDGET
Salaries & Benefits	53%	\$439,912
Supplies	1%	\$7,500
Services & Charges	46%	\$382,750
Total Expenses	100%	\$830,162

What it pays for



REVENUE SOURCES & USES

SOURCES	%	2024 BUDGET
General Fund Revenues	100%	\$1,943,414
Total Sources	100%	\$1,943,414

EXPENSES	%	2024 BUDGET
Salaries & Benefits	62%	\$1,214,192
Maintenance-Supplies	4%	\$87,100
Maintenance-Contracted Services	2%	\$44,625
Operations-Supplies	3%	\$62,700
Operations-Contracted Services	10%	\$190,830
Utilities	11%	\$207,107
Taxes	0%	\$4,000
Vehicles & Equipment	5%	\$97,880
Safety & Training	2%	\$34,980
Total Expenses	100%	\$1,943,414

CORE FUNCTIONS

The Recreation Services Division is responsible for providing year-round recreational programs and special events to serve people of all ages and abilities and for managing the District’s recreation financial assistance program.

RECREATION SERVICES BUDGET SUMMARY

GENERAL FUND

The Recreation Services Division budget, which is part of the General Fund, and the Recreation Enterprise Fund constitute the Recreation Services operating budget. The division budget contains wages and benefits for staff that are not directly involved with revenue-generating activities as well as other minor expenses.

RECREATION ENTERPRISE FUND (previously Recreation Revolving Fund)

The majority of the Recreation Services operating budget is carried in the Recreation Enterprise Fund, which includes revenue and expenses related to revenue-generating activities. The 2024 budgeted revenue in the Recreation Enterprise Fund is \$1,049,826, exclusive of the 2024 beginning balance of \$413,163.

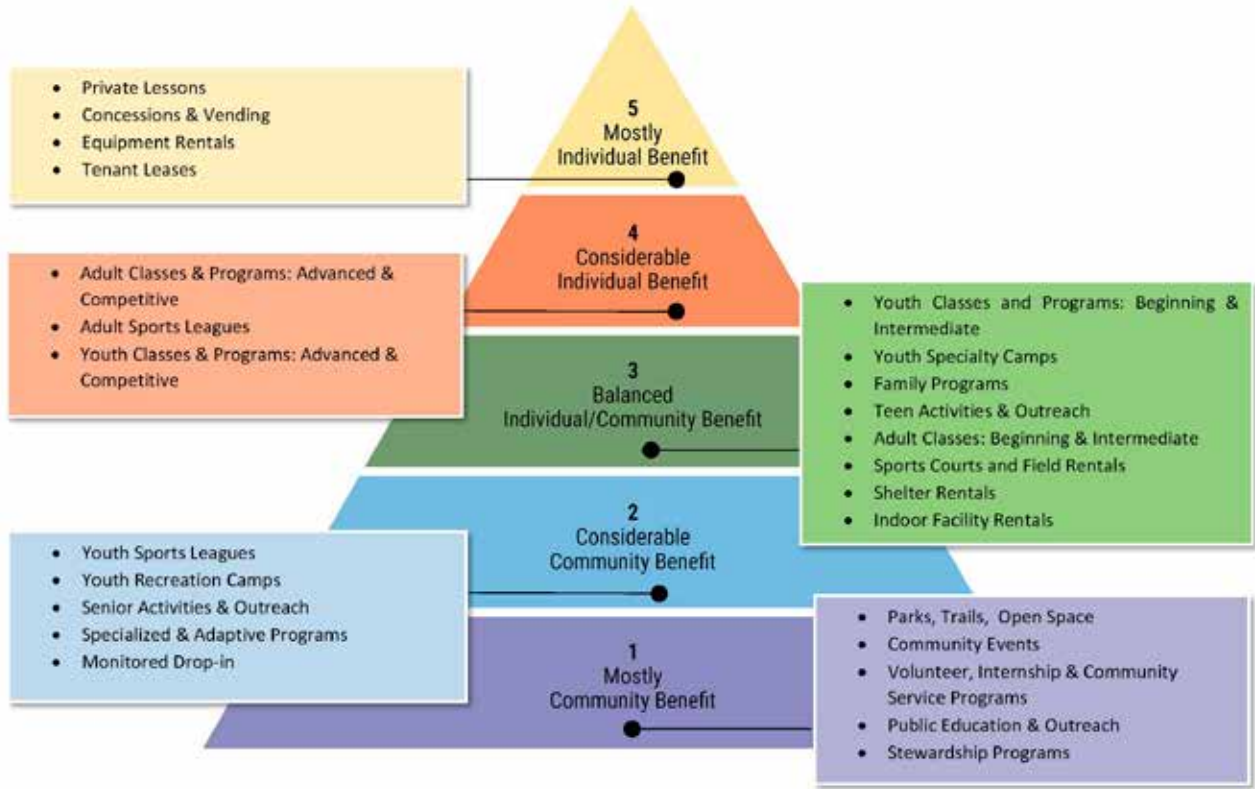
Recreation Enterprise Fund revenues are primarily from charges for fee-based services and through an interfund transfer of \$379,521 from the General Fund. Revenue is also generated through sponsorships and through donations that help fund programs and events. Budgeted revenues in 2024 are based on modest increases in most program areas, a continued focus on programs for seniors and special populations, and new revenues associated with programs at the indoor Community Recreation Center that is planned to open in 2024.

Recreation Enterprise Fund expenses are related to the cost of programs provided. Staff wages and benefits, supplies, and contracted services comprise the majority of the expenses. The 2024 budget includes an interfund transfer from the Recreation Enterprise Fund to the Scholarship Fund to support the District’s financial aid program.

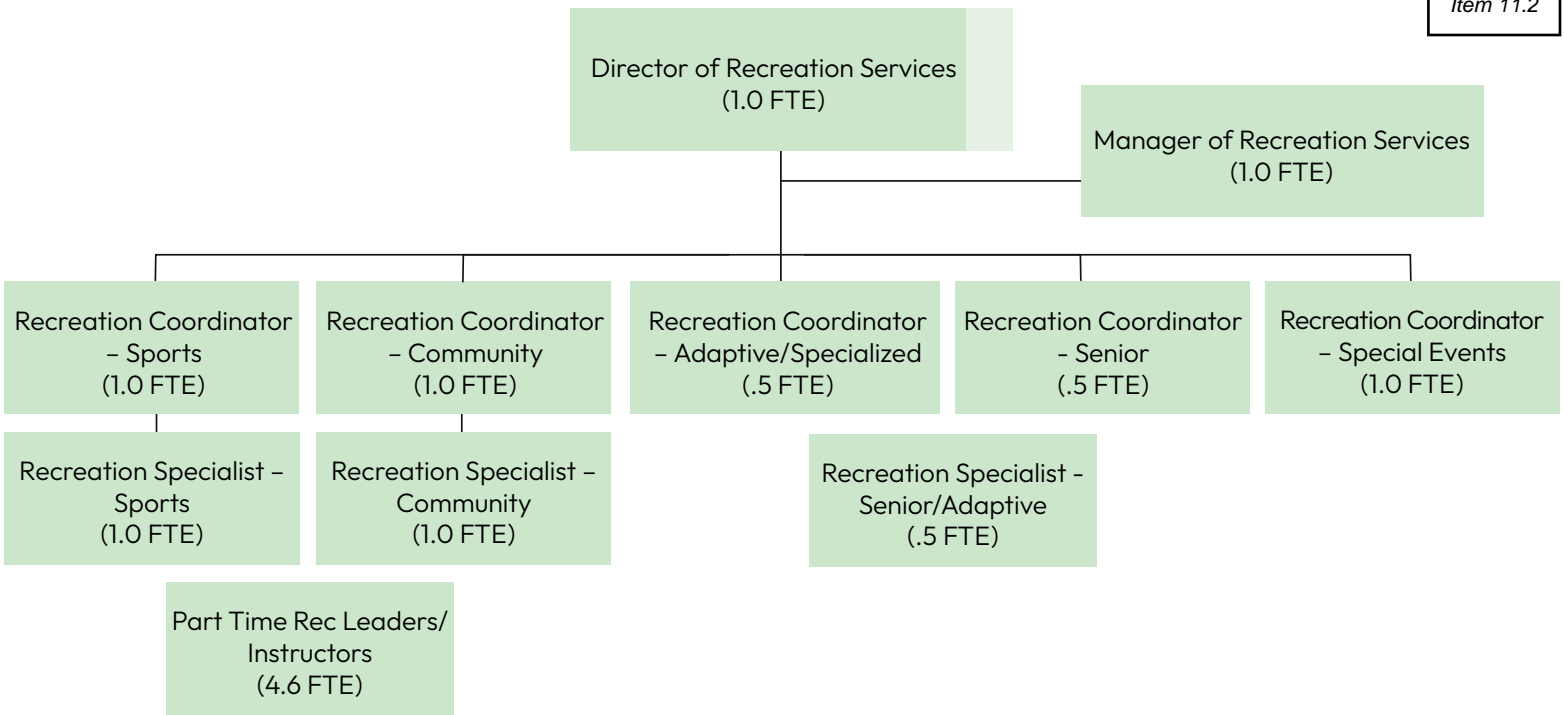
The ending balance of the Fund represents a new reserve established in 2024 that is equivalent to 90 days of operating expenses. The purpose of the reserve is to sustain adequate cash flow in the Enterprise Fund and to support operations in the case of an economic downturn or emergency.

2023 FEES AND SERVICES ASSESSMENT

Recommendations from the 2023 Fees and Services Assessment are reflected in the Recreation Services budgeted revenue and expenses. Taxpayer funds and alternative revenues, such as fees for services and sponsorships, are allocated based on community values and priorities. The PenMet Parks Consensus Pyramid, below, which was developed through a public process in 2022 and 2023, represents the fundamental component of the District’s cost recovery philosophy. The budget advances the cost recovery targets for each tier, which are identified in the table below.



	Cost Recovery Minimum Target	Cost Recovery Maximum Target
Tier 5	201%	N/A
Tier 4	151%	200%
Tier 3	101%	150%
Tier 2	51%	100%
Tier 1	0%	50%



2024 PRIORITIES

Strategically implement outcomes from the Parks, Recreation, and Open Space Plan:

- ✔ Implement findings from the Parks, Recreation, and Open Space Plan to provide a balanced portfolio of services among parks, facilities, and programs that is responsive to community need.
- ✔ Priorities in 2024 include a continued focus on programs for seniors and special populations, as well as enhanced programs for children, expanded adult programs, and art programs for all ages.

Strategically implement outcomes from the Fees and Services Assessment:

- ✔ Use data and recommendations from the Fees and Services Assessment to advance goals in each focus area: Program and Service Delivery Objectives, Resource Allocation and Cost Recovery Objectives, and Service Area Objectives.
- ✔ Develop and implement systems to track cost recovery data to ensure fees are established through an objective and equitable data-based process.

Align program offerings with the inventory of assets and analysis of facility utilization:

- ✔ Creatively approach and implement programs to expand reach and activate underutilized spaces to support community priorities.
- ✔ Inventory potential community spaces that may be available to provide programming in geographically dispersed locations. Engage community partners and explore new partnership opportunities to advance goals.
- ✔ Offer a summer playground program at multiple park sites. Reduces barriers to participation by providing free program opportunities in a wide range of sites around the District to provide geographic diversity, provide equitable access, and highlight park sites.

FUND: GENERAL FUND
DIVISION: RECREATION SERVICES

What it pays for



REVENUE SOURCES & USES

SOURCES	%	2024 BUDGET
General Fund Revenues	100%	\$297,553

Total Sources	100%	\$297,553
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EXPENSES	%	2024 BUDGET
Salaries & Benefits	100%	\$296,553
Travel	0%	\$1,000

Total Expenses	100%	\$297,553
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RECREATION ENTERPRISE FUND BUDGET

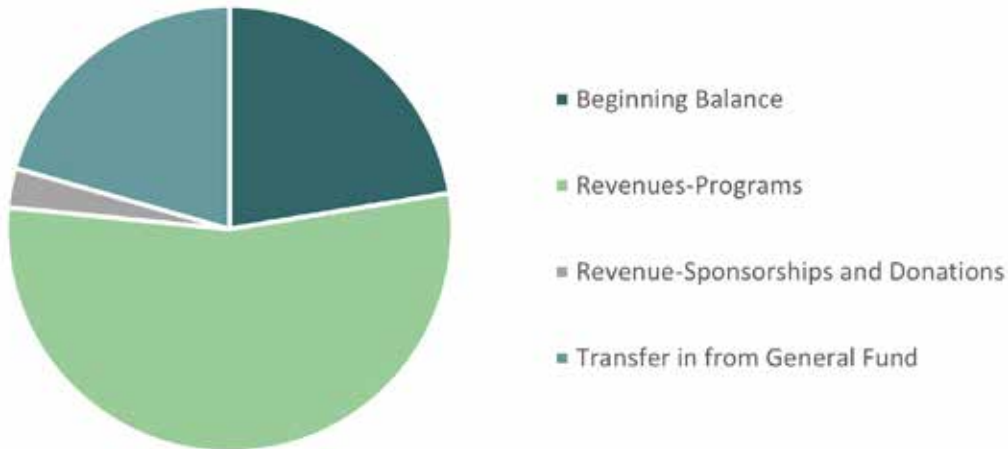
The overall Recreation Enterprise Fund budget is \$1,474,008, including the interfund transfer from the Recreation Enterprise Fund to the Scholarship Fund. Revenues include program fees, sponsorships and donations, and an interfund transfer from the General Fund. The budgeted beginning balance of the Fund is \$413,163.

The ending balance of the Fund represents an unrestricted reserve fund balance established in 2024 that is equivalent to 90 days of operating expenses. The purpose of the reserve is to sustain adequate cash flow in the Recreation Enterprise Fund and to support operations in the case of an economic downturn or emergency.

RECREATION ENTERPRISE FUND BUDGET SUMMARY	2023 FORECAST	2024 BUDGET	VARIANCE
Beginning Balance	\$848,899	\$413,163	-51%
Revenues	\$789,709	\$1,049,826	33%
Expenditures	(\$1,175,445)	(\$1,462,008)	24%
Transfer In from General Fund	\$0	\$379,521	-
Transfer Out to the Scholarship Fund	(\$50,000)	(\$12,000)	-76%
Recreation Enterprise Fund Ending Balance	\$413,163	\$368,502	-11%

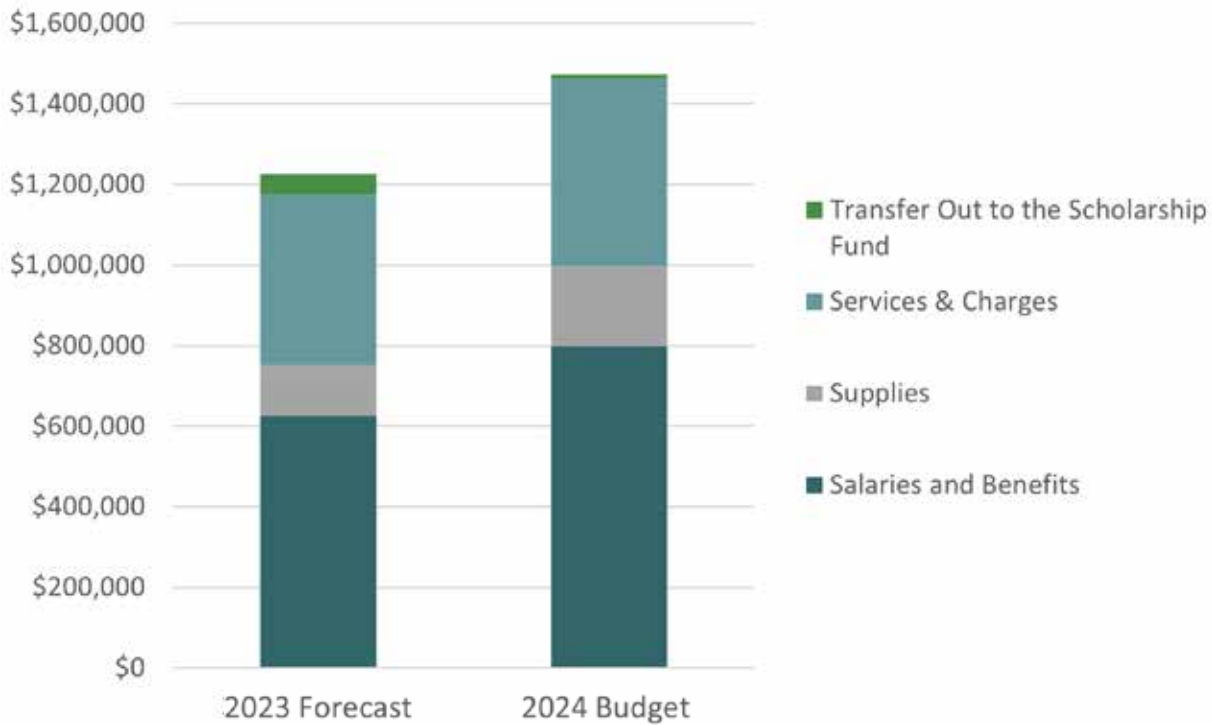
RECREATION ENTERPRISE REVENUE BY SOURCE	2023 FORECAST	2024 BUDGET	VARIANCE
Beginning Balance	\$848,899	\$413,163	-51%
Revenues-Programs	\$770,459	\$997,326	29%
Revenue-Sponsorships and Donations	\$19,250	\$52,500	173%
Transfer in from General Fund	\$0	\$379,521	-
Recreation Enterprise Fund Revenue	\$1,638,608	\$1,842,510	12%

RECREATION ENTERPRISE FUND BY REVENUE SOURCE



RECREATION ENTERPRISE FUND EXPENSES BY TYPE	2023 FORECAST	2024 BUDGET	VARIANCE
Salaries and Benefits	\$625,930	\$798,605	28%
Supplies	\$126,541	\$198,510	57%
Services & Charges	\$422,974	\$464,893	10%
Transfer Out to the Scholarship Fund	\$50,000	\$12,000	-76%
	\$1,225,445	\$1,474,008	20%

RECREATION ENTERPRISE FUND EXPENDITURES



FACILITIES ENTERPRISE FUND BUDGET

The Facilities Enterprise Fund is a new fund established in 2024 to account for revenues and expenditures related to facility rentals and use for which users pay a fee. The 2024 Facilities Enterprise Fund budget is \$508,710 including interfund transfers from the Facilities Enterprise Fund to the General Fund and to the Unrestricted Maintenance Reserve Fund. With the exception of revenues and expenses related to the new indoor Community Recreation Center, all facility rental revenues and expenses were reported in the General Fund in 2023.

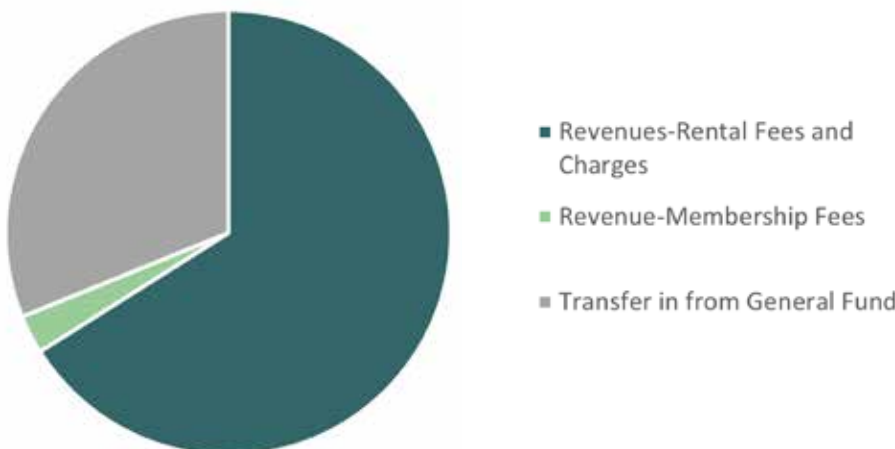
FACILITIES ENTERPRISE FUND BUDGET SUMMARY	2023 FORECAST	2024 BUDGET	VARIANCE
Beginning Balance	-	\$0	-
Revenues	-	\$442,138	-
Expenditures	-	(\$323,130)	-
Transfer In from General Fund	-	\$200,000	-
Transfer Out to the General Fund	-	(\$25,500)	-
Transfer Out to the Unrestricted Maint. Reserve Fund	-	(\$160,080)	-
Facilities Enterprise Fund Ending Balance	-	\$133,428	-

FACILITIES ENTERPRISE FUND REVENUES

Revenues include rental fees for the District’s facilities, fields, courts, and other spaces that are available for community use, leases, new revenues related to rental and membership fees for the indoor Community Recreation Center that is planned to be complete in 2024, and an interfund transfer from the General Fund.

FACILITIES ENTERPRISE REVENUE BY SOURCE	2023 FORECAST	2024 BUDGET	VARIANCE
Beginning Balance	-	\$0	-
Revenues-Rental Fees and Charges	-	\$424,163	-
Revenue-Membership Fees	-	\$17,975	-
Transfer in from General Fund	-	\$200,000	-
	-	\$642,138	-

FACILITIES ENTERPRISE FUND BY REVENUE SOURCE

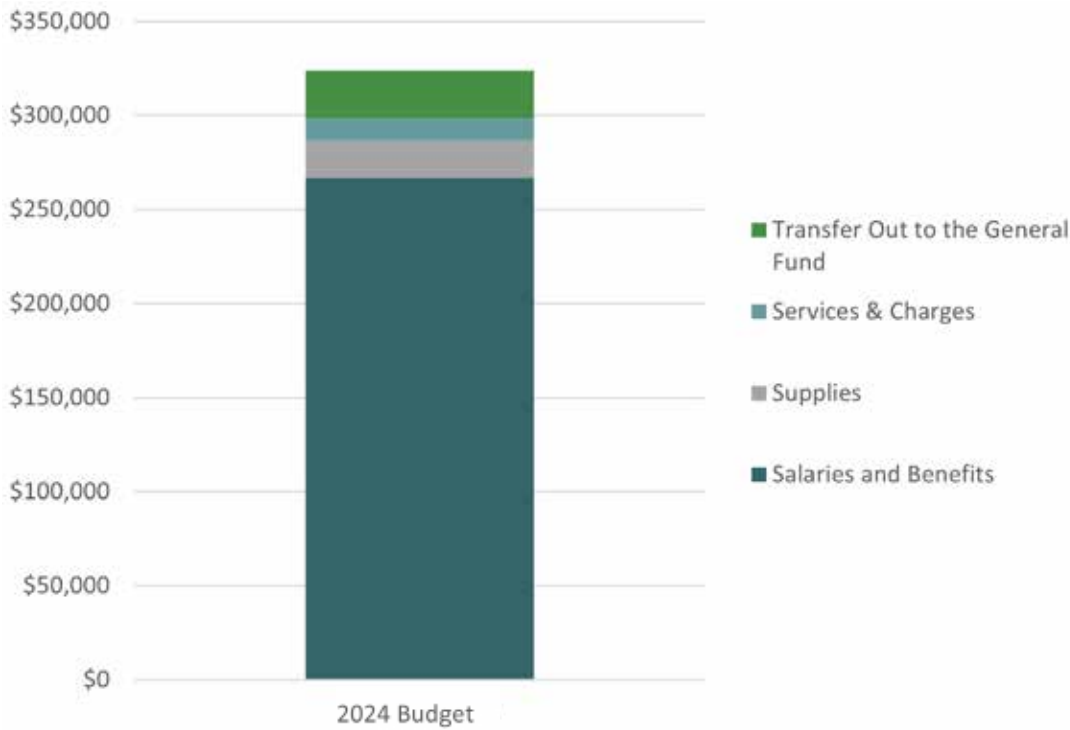


FACILITIES ENTERPRISE FUND EXPENSES

Expenses include personnel, supplies, equipment, and charges related to facility use. In addition, expenses reflect an interfund transfer to the General Fund to support expenses related to rentals such as custodial services, and an interfund transfer to the Unrestricted Maintenance Reserve Fund of 100% of net facility rental and use fees while maintaining an ending fund balance of \$133,428. The ending balance of the Fund represents an unrestricted reserve that is equivalent to 90 days of operating expenses. The purpose of the reserve is to sustain adequate cash flow in the Facilities Enterprise Fund and to support operations in the case of an economic downturn or emergency.

FACILITIES ENTERPRISE FUND EXPENSES BY TYPE	2023 FORECAST	2024 BUDGET	VARIANCE
Salaries and Benefits	-	\$266,913	-
Supplies	-	\$20,000	-
Services & Charges	-	\$11,293	-
Taxes	-	\$24,924	-
Transfer Out to the General Fund	-	\$25,500	-
Transfer Out to the Unrestricted Maint. Reserve Fund	-	\$160,080	-
	-	\$508,710	-

FACILITIES ENTERPRISE FUND EXPENDITURES



ALL OTHER FUNDS

PenMet Parks utilizes several special purpose funds used to account for the proceeds of specific revenue sources that are restricted to expenditure for specific purposes. Special purpose funds include:

- Debt Service Fund
- Debt Service Contingency Fund
- Equipment Replacement Fund
- Unrestricted Maintenance Reserve Fund
- Maintenance Endowment Funds
- Scholarship Fund

These funds are part of the District’s operating budget.

DEBT SERVICE FUND

The Debt Service Fund is used to account for payment of principal and interest for the District’s General Obligation debt.

2024 DEBT SERVICE FUND SUMMARY	
REVENUE	2024 Budget
Beginning Balance	\$0
Transfer in from General Fund	\$1,353,771
Expenses	
Principal Payment on L.T.G.O. Bonds	\$885,000
Interest Payment on L.T.G.O. Bonds	\$468,771
Total Debt Service Expense	\$1,353,771
Ending Balance	\$0

DEBT SERVICE CONTINGENCY FUND

The Debt Service Contingency Fund was established to conserve funds sufficient to fulfill debt service obligations in the event of an unanticipated economic downturn. The 2024 budget includes an interfund transfer of \$200,000 to the Debt Service Contingency Fund. The purpose of the transfer is to increase the balance of the Fund in response to changing debt obligations resulting from the \$16 million bond to support development of the CRC issued in 2021, and the anticipated retirement of the Sehmel Homestead Park bonds in 2027. Long-range financial forecasts anticipate building the Debt Service Contingency Fund balance to the equivalent of two years of debt service obligations.

2024 DEBT SERVICE CONTINGENCY FUND SUMMARY	
REVENUE	2024 Budget
Beginning Balance	\$1,000,000
Transfer in from General Fund	\$200,000
Expenses	
*No anticipated need for contingency fund in 2023	\$0
Ending Balance	\$1,200,000

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund provides for the replacement of capital equipment. In accordance with policy direction, funds equivalent to the item's replacement value divided by the number of years of useful life are directed to the Equipment Replacement Fund.

2024 EQUIPMENT REPLACEMENT FUND SUMMARY

REVENUE	2024 Budget
Assigned Beginning Balance	\$621,736
Transfer in from General Fund	\$0
Total Revenue	\$621,736

Expenses

Capital Expenditures- Equipment	\$375,212
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Ending balance	\$246,524
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UNRESTRICTED MAINTENANCE RESERVE FUND

The Unrestricted Maintenance Reserve Fund is a voluntary reserve fund to provide financial security for ongoing park maintenance and operations in the event of an unanticipated economic downturn. The Unrestricted Maintenance Reserve Fund was established in 2022 to provide a dedicated fund to direct facility use and rental fees to be used for District maintenance.

2024 UNRESTRICTED MAINTENANCE RESERVE FUND SUMMARY

Revenue	2024 Budget
Beginning balance	\$408,760
Transfer from General Fund	\$160,080
Total Revenue	\$568,840

Expenses

Expenses	\$0
----------	-----

Ending balance	\$568,840
-----------------------	------------------

MAINTENANCE ENDOWMENT FUNDS

The District has two maintenance endowment funds: a restricted fund and an unrestricted fund. Investment income and fees comprise the entirety of the budgeted revenue and expenses in 2024.

2024 UNRESTRICTED MAINTENANCE ENDOWMENT FUND SUMMARY

REVENUE	2024 Budget
Assigned Beginning Balance	\$277,183
Interest Revenue	\$0
Total Revenue	\$277,183

Expenses

Investment Expense	\$15
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Ending Balance	\$277,168
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2024 RESTRICTED MAINTENANCE ENDOWMENT FUND SUMMARY

REVENUE	2024 Budget
Assigned Beginning Balance	\$168,833
Interest Revenue	\$9,000
Total Revenue	\$177,833

Expenses

Investment Expense	\$0
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Ending Balance	\$177,833
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SCHOLARSHIP FUND

The Scholarship Fund accounts for revenues and expenditures related to the District's recreation scholarship program. Primary sources of revenue are interfund transfers from the Recreation Enterprise Fund. Expenditures include scholarships awarded.

2024 SCHOLARSHIP FUND SUMMARY

REVENUE	2024 Budget
Assigned Beginning Balance	\$38,000
Transfer in from Recreation Enterprise Fund	\$12,000
Total Revenue	\$50,000

Expenses

Scholarships Provided	\$50,000
-----------------------	----------

CAPITAL BUDGET

CAPITAL BUDGET INTRODUCTION

CAPITAL PROJECT FUND

The Capital Project Fund accounts for the acquisition, construction, replacement, addition, and major maintenance of public facilities. These projects differ from routine maintenance in that their cost is generally greater than \$25,000 for any one project or grouping of similar projects, and they have a useful life of generally ten years or more.

Capital projects involve new construction, renovation, replacement or improvements to infrastructure and other systems, and acquisition of real property. The Capital Project Fund may realize revenue from grants, fundraising income, investment income, and debt financing, as well as from interfund transfers.

CAPITAL IMPROVEMENT PLAN

PenMet Parks develops an annual six-year Capital Improvement Plan (CIP) that identifies and prioritizes capital projects to maximize the benefit to the community. The plan is directed at improving the parks and recreation infrastructure for the community to advance the mission of the District. All capital improvements will be made according to the adopted CIP. The CIP is adopted annually and the first year of the CIP constitutes the capital projects approved by the Board of Park Commissioners for that budget year.



PROPERTY DAMAGE DEFERRED MAINTENANCE:

2

A deficiency that is causing further property damage or deterioration, or an item that is at or beyond the end of its useful life and cannot be repaired or sustained. Policy direction provides the District shall ensure adequate resources are allocated to preserve existing infrastructure and other capital assets before targeting resources toward construction or acquisition of public facilities or major equipment.

PLANNED MAJOR MAINTENANCE:

3

Scheduled capital replacements or upgrades to prolong the life of a system or replace an aged system.

LIFE SAFETY:

1

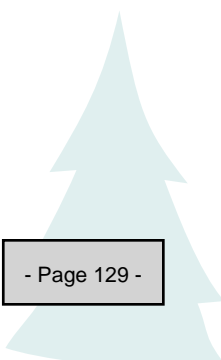
A known life safety or similar deficiency that creates risk for the public and/or the District.

STRATEGIC PRIORITIES:

4

Projects that specifically advance PenMet Parks' mission, PROS Plan key project recommendations, adopted goals and objectives, strategic timing, and other strategic outcomes.

Capital projects contained within the CIP were developed by assessing property conditions, applying the findings and recommendations from the comprehensive Parks, Recreation, and Open Space (PROS) plan, gathering input from stakeholders, and considering policy direction. The approved CIP must fit within available budget resources. Thus, projects are required to be evaluated and prioritized. **PenMet Parks used four criteria, in order of importance, to prioritize uses:**



The 2024 capital budget is \$29,022,614, which includes \$2,399,564 allocated for projects identified in the 2024 CIP, and \$26,623,050 of carryforward expenses that were allocated in the 2023 Capital Budget but not expensed.

CAPITAL PROJECT FUND REVENUES

2024 Capital Project Fund revenues include approximately \$2.3 million of anticipated grant and fundraising revenue that is dedicated to specific projects, interest earnings, and an interfund transfer from the General Fund into the Capital Project Fund of \$1,600,000.

The beginning balance of \$27,437,196 includes monies previously allocated to the Capital Project Fund that were funded through General Fund revenues, grant funding, bond proceeds from the 2021 issuance of bonds to support development of the indoor Community Recreation Center, and other revenues. The beginning balance also includes directing the forecasted 2023 year-end operating surplus into the Capital Project Fund.

The ending balance in the Capital Project Fund is carried forward annually to provide funding for future priorities. The budgeted ending balance of \$2.4 million constitutes the capital reserve fund.

CAPITAL PROJECT FUND EXPENSES

2024 Capital Project Fund expenditures include the 10 projects and initiatives identified in the first year of the 2024 CIP. Projects include addressing deferred maintenance and planned major maintenance needs such as heating, ventilating, and air conditioning and pavement restoration, implementing the signage master plan that is currently in design, developing a master plan for the Peninsula Gardens property, enhancements at Fox Island Fishing Pier including improved access for launching hand-powered watercraft and a new picnic shelter, and reserving funds for strategic priorities. In addition to the 2024 CIP projects, expenses include budget previously allocated for capital projects that is not anticipated to be expensed in 2023. The carryforward projects include completing the indoor Community Recreation Center, completing the master plan at the Tacoma DeMolay Sandspit Nature Preserve, accessibility improvements at Fox Island Fishing Pier, standardizing park gates, resurfacing the playground at Sehmel Homestead Park, completing the renovation of Rosedale Hall, completing the signage master plan design, and other projects. Appendix C contains additional details for each project in the 2024 six-year CIP.

2024 CAPITAL BUDGET SUMMARY

Capital Project Fund - Summary of Revenues and Expenditures	2023 FORECAST	2024 BUDGET	VARIANCE
Beginning Balance	\$30,668,290	\$27,437,196	-11%
Revenues	\$1,461,228	\$2,339,977	60%
Expenditures	(\$8,370,578)	(\$29,022,614)	247%
Transfer in from General Fund	\$3,678,255	\$1,600,000	-57%
Capital Project Fund Ending Balance	\$27,437,196	\$2,354,559	-91%

The 2024 capital budget is focused on addressing critical needs including addressing deferred maintenance, replacing aged systems at or near the end of their useful lives, advancing strategic priorities, and maximizing efficiencies to deliver projects in a cost-effective manner. Critical needs include:

DEFERRED MAINTENANCE: Some facilities are in poor condition and require capital improvements to avoid further deterioration and maintain acceptable conditions:

- ✓ Implement the signage master plan that is currently in design. Replace signage District-wide that is beyond the end of its useful life.
- ✓ Assess and develop a plan to address deferred maintenance needs at Peninsula Gardens property.

PLANNED MAJOR MAINTENANCE: all three phases of the facilities condition audit are planned to be complete in 2024. The audit data will identify future planned major maintenance needs that can be implemented annually to help proactively manage and reduce deferred maintenance over time.

- ✓ Replace the aging rooftop mechanical units at the Community Recreation Center existing building.
- ✓ Restore pavement at multiple locations across the District.

STRATEGIC PRIORITY: deliver consistent, high-quality parks and recreation facilities to meet the needs and desires of the community.

- ✓ Improve access to launch hand-powered watercraft at Fox Island Fishing Pier.
- ✓ Provide a new picnic shelter at Fox Island Fishing Pier.

STRATEGIC PRIORITY: identify and pursue park development and land acquisition opportunities that support equitable access to active and passive recreation needs.

- ✓ Develop a master plan at Peninsula Gardens to provide more park amenities in an underserved area.
- ✓ Reserve funds for strategic acquisition priorities and projects to provide more access to parks for our community.

YEAR	PRIORITY	PROPERTY	PROJECT	TOTAL PROJECT BUDGET	PRIMARY FUNDING SOURCE	BUDGET	
						2024 Capital Budget	2024 Oper. Budget
2024	1	CRC-I	Replace HVAC system	\$414,000	Transfer from general fund	\$414,000	
2024	2	District	Parking lot pavement upgrades	\$182,000	Transfer from general fund	\$182,000	
2024	3	District	Heavy equipment acquisition fund	\$50,000	Transfer from general fund	\$50,000	
2024	4	District	Implement signage master plan	\$282,000	Transfer from general fund	\$282,000	\$2,820
2024	5	Madrona Links	Strategic priority - scope TBD	\$500,000	Transfer from general fund	\$500,000	
2024	6	Peninsula Gardens	Master plan	\$150,000	Transfer from general fund	\$150,000	
2024	7	DeMolay Sandspit	Acquisition grant match	\$303,000	Transfer from general fund	\$303,000	
2024	8	Fox Island Fishing Pier	Improve beach access for hand launches	\$145,000	Transfer from general fund	\$145,000	\$15,300
2024	9	Fox Island Fishing Pier	New picnic shelter	\$94,000	Transfer from general fund	\$94,000	
2024	10	District	Capital campaign initiative	\$279,564	Transfer from general fund	\$279,564	
Total 2024 CIP Expenses						\$2,399,564	\$18,120
2023 Carryforward Capital Budgeted Expenses						\$26,623,050	
Total 2024 Capital Budget						\$29,022,614	

SIX-YEAR CAPITAL IMPROVEMENT PLAN

The six-year CIP is a long-range forecast for the District's capital priorities that may be completed within the anticipated available resources. Consistent with policy direction, over time the CIP reflects a shift in focus from replacing aging systems and addressing critical deferred maintenance needs to planned major maintenance and parkland development.

The CIP is updated each year to reflect internal and external conditions that impact capital priorities and available resources. In 2023, PenMet Parks adopted the updated Parks, Recreation, and Open Space Plan, which was developed with extensive input from our community. The 2024 CIP was developed to advance the goals and objectives contained within the PROS Plan, which will continue to guide the District when making decisions regarding planning, acquiring, developing, or enhancing parks, open space, or recreational facilities.

Factors that may influence CIP updates in the future include:

- ✓ All phases of the facilities condition audit, which is in progress, are anticipated to be complete in 2024. The data will provide more accurate long-range projections to manage deferred maintenance and forecast major maintenance needs.
- ✓ Over time, the District will build a historical cost database to more precisely identify and forecast the true costs to maintain and operate assets to meet defined levels of service objectives.
- ✓ The District must balance competing priorities with available funding. The six-year CIP is based on an estimated 5% annual increase in operating expenses and an estimated 5% annual escalation factor for capital expenses. If actual conditions differ from projections, capital improvements may be impacted.



SIX-YEAR CAPITAL IMPROVEMENT PLAN

YEAR	PRIORITY	PROPERTY	PROJECT	TOTAL PROJECT BUDGET	CIP ALLOCATION (2024-2029)	PRIMARY FUNDING SOURCE	NEW M&O EXPENSES
2024	1	CRC-I	Replace HVAC system	\$414,000	\$414,000	Transfer from general fund	
2024	2	District	Parking lot pavement upgrades	\$182,000	\$182,000	Transfer from general fund	
2024	3	Strategic priority	Heavy equipment acquisition fund	\$50,000	\$50,000	Transfer from general fund	
2024	4	District	Implement signage master plan	\$282,000	\$282,000	Transfer from general fund	
2024	5	Madrona Links	Strategic priority-scope TBD	\$1,000,000	\$500,000	Capital reserves	
2024	6	Peninsula Gardens	Master plan	\$150,000	\$150,000	Transfer from general fund	
2024	7	DeMolay Sandspit	Acquisition grant match	\$303,000	\$303,000	Transfer from general fund	\$15,300
2024	8	Fox Island Fishing Pier	Improve beach access for hand launches	\$145,000	\$145,000	Transfer from general fund	
2024	9	Fox Island Fishing Pier	New picnic shelter	\$94,000	\$94,000	Transfer from general fund	\$2,820
2024	10	District	Capital campaign initiative	\$279,564	\$279,564	Transfer from general fund	
2025	11	Strategic priority	Planned major maintenance	\$500,000	\$500,000	Transfer from general fund	
2025	12	Strategic priority	Strategic property acquisition fund	\$150,000	\$150,000	Transfer from general fund	
2025	13	Strategic priority	Heavy equipment acquisition fund	\$50,000	\$50,000	Transfer from general fund	
2025	14	Peninsula Gardens	Phase I development - park amenities	\$3,753,750	\$2,100,000	Capital reserves	
2025	15	Narrows Beach	Accessibility improvements and restroom	\$582,750	\$582,750	Transfer from GF, pot. grant funding	\$16,425
2025	16	McCormick Forest	Construct multi-use trails	\$525,000	\$525,000	Transfer from general fund	\$20,000
2026	17	Strategic priority	Planned major maintenance	\$500,000	\$500,000	Transfer from general fund	
2026	18	Strategic priority	Strategic property acquisition fund	\$150,000	\$150,000	Transfer from general fund	

2026	19	Strategic priority	Heavy equipment acquisition fund	\$50,000	\$50,000	Transfer from general fund	Item 11.2
2026	20	Peninsula Gardens	Phase I development - park amenities	\$3,753,750	\$1,653,750	Capital reserves	\$35,063
2027	21	Strategic priority	Planned major maintenance	\$500,000	\$500,000	Transfer from general fund	
2027	22	Strategic priority	Strategic property acquisition fund	\$150,000	\$150,000	Transfer from general fund	
2027	23	Strategic priority	Heavy equipment acquisition fund	\$50,000	\$50,000	Transfer from general fund	
2027	24	Sehmel Homestead Park	Replace synthetic turf at Field #1 (infield only)	\$868,219	\$868,219	Transfer from GF, pot. grant funding	
2027	25	Cedrona Bay	Hand launch improvements	\$173,644	\$173,644	Transfer from general fund	
2027	26	Wollochet Estuary	Master plan	\$173,644	\$173,644	Transfer from general fund	
2028	27	Strategic priority	Planned major maintenance	\$500,000	\$500,000	Transfer from general fund	
2028	28	Strategic priority	Strategic property acquisition fund	\$150,000	\$150,000	Transfer from general fund	
2028	29	Strategic priority	Heavy equipment acquisition fund	\$50,000	\$50,000	Transfer from general fund	
2028	30	Sehmel Homestead Park	Replace synthetic turf at Field #2 (infield only)	\$911,630	\$911,630	Transfer from GF, pot. grant funding	
2028	31	Strategic priority	Develop strategic acquisition site for public use	\$303,877	\$303,877	Transfer from general fund	\$42,500
2029	32	Strategic priority	Planned major maintenance	\$500,000	\$500,000	Transfer from general fund	
2029	33	Strategic priority	Strategic property acquisition fund	\$150,000	\$150,000	Transfer from general fund	
2029	34	Strategic priority	Heavy equipment acquisition fund	\$50,000	\$50,000	Transfer from general fund	
2029	35	Sehmel Homestead Park	Replace synthetic turf at Field #3 (infield only)	\$957,211	\$957,211	Transfer from GF, pot. grant funding	
2029	36	Wollochet Estuary	Implement master plan	\$7,142,710	\$1,000,000	Capital reserves	
Total CIP Expenses 2024-2029					\$15,149,289		
2023 Carryforward Budgeted Capital Expenses					\$26,623,050		
Total Budgeted 2024-2029 CIP Expenses, including Carryforward Expenses					\$41,772,339		

APPENDIX





Peninsula Metropolitan Park District

Comprehensive Financial Management Policy

Policy Number:	Resolution Number:	Date Approved:	Supersedes the following Resolutions and Policies:
P40-101	RR2023-010	September 5, 2023	R2021-025 (Adopted 09/21/2021) R2020-010 (Adopted 06/16/20) R2012-011 (Adopted 4/16/12) R2009-013 (Adopted 6/15/09) R2006-004 (Adopted 4/17/06) R2005-010 (Adopted 8/08/05) R2007-007 (Adopted 9/17/07)

Policy: **Comprehensive Financial Management**
 (Approved by the PenMet Parks Board of Park Commissioners)

Purpose: The Peninsula Metropolitan Park District (PenMet Parks) is accountable to its citizens for its use of public money. The establishment and maintenance of wise financial and fiscal policies enable officials of PenMet Parks to protect the public interest and ensure public trust.

This Financial Management Policy defines the current policies to be used by PenMet Parks to meet its immediate and long-term service goals and operate in a financially prudent manner. The individual policies contained

herein serve as general guidelines for both financial planning and internal financial management of PenMet Parks.

This policy ensures that the District is positioned to respond to changes and the economy or new service requirements without an undue amount of financial stress.

This policy is also established to maintain a good credit rating in the financial community and assure taxpayers that the District is well managed financially and maintained in sound fiscal condition.

The District will adhere to the highest accounting and management policies as set by the Government Finance Officers' Association, the Governmental Accounting Standards Board, and other professional standards for financial reporting and budgeting.

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Policy Requirements:

Section 1. General Responsibilities

The PenMet Parks Board of Park Commissioners (the “Board”) is responsible for approving the annual Operating Budget and the Capital Improvement Plan as well as establishing the policy direction for PenMet Parks under Washington State Law. Sound business practice and good government dictate that the Board establishes policies regarding the fiscal activities of PenMet Parks in accordance with applicable local, state, and federal laws and regulations.

District staff, under the direction of the Executive Director, is responsible for proposing programs, recommending funding levels, and formulating budget proposals for implementing service programs in accordance with established goals and directives.

Section 2. Objectives

The objectives of the Comprehensive Financial Management Policy are:

- To guide the Board and management for policy decisions having significant fiscal impact;
- To set forth operating principals to minimize the cost of government and limit financial risk;
- To employ balanced and fair revenue policies to provide sufficient funding for desired programs;
- To maintain appropriate financial capacity for bonded indebtedness for present and future needs;
- To promote sound financial management by providing accurate and timely information regarding PenMet Parks' financial condition;
- To protect PenMet Parks' credit rating and provide for adequate resources to meet the provisions of PenMet Parks' debt obligations;
- To ensure the legal use of financial resources through an effective system of internal controls; and
- To promote cooperation and coordination with other governments, non-profits, and the private sector in the financing and delivery of services.

Section 3. General Policies

- A. The Board may adopt resolutions to set financial policies to assure the financial strength and accountability of the District.
- B. The Executive Director shall develop administrative directives and general procedures for implementing the Board's financial policies.
- C. All Departments will share in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and programs will be developed to reflect current policy directives, projected resources, and future service requirements.
- D. The District shall establish and maintain a compensation and benefit package that is competitive with the public and private sectors to attract and retain employees necessary for providing high quality services.
- E. The District will strive to coordinate with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis and support favorable legislation at the state and federal level.
- F. The District will strive to initiate, encourage, and participate in economic development efforts to create job opportunities and strengthen the local economy.
- G. The District will strive to maintain fair and equitable relationships with its vendors, contractors, and suppliers.

Section 4. Financial Planning and Reserve Policies

- A. The District engages in a financial planning process which encompasses important policy considerations and provides guidelines for all aspects of the District's financial management strategy.
- B. The General Fund's targeted unreserved fund balance will be a goal of twenty-five percent (25%) or greater of annual expenditures of the General Fund, excluding capital expenditures (the "Reserve Fund").
- C. This Reserve Fund will be established and maintained annually in the District budget as District resources allow to:
 - 1. Offset unanticipated economic downturns and necessary revisions to any general municipal purpose fund; and
 - 2. Provide a sufficient cash flow for daily financial needs at all times.
- D. The District will maintain sufficient funds in the Reserve Fund to meet any existing debt service or other agreements.
- E. All transfers from the Reserve Fund will require Board approval.
- F. In addition to the Reserve Fund, the District also maintains other "unrestricted reserve funds" including the Capital Projects Fund and Equipment Replacement Fund.
- G. Fees and charges collected for services:
 - 1. Recreation (Program) Fees collected will be utilized to off-set the cost of direct expenses related to the delivery of District sponsored recreation programs.
 - 2. Facility Use and Rentals Fees and Charges are typically used to off-set the cost of direct maintenance expenses related to facilities maintained and operated by the District. The Board will direct 100% of these fees to a Permanent Fund such as a restricted maintenance endowment fund(s) to support park maintenance in general or for a specific park or facility. This will be determined by the Board during the budget process.

Financial Forecasting:

- A. PenMet Parks shall develop and maintain annually a financial forecast for the General Fund that estimates fund resources and uses for a period of six (6) years beyond the current year. This forecast will be updated annually and provide PenMet Parks' decision makers with an indication of the long-term fiscal impact of current policies and budget decisions. This planning tool should recognize the effects of economic cycles, the demand for services and PenMet Parks' projected resources. It is the goal of PenMet Parks to achieve a strong financial condition with the ability to:
- Withstand local and regional economic conditions;
 - Adjust efficiently to the changing service requirements within the District's boundaries; and
 - Effectively maintain and improve PenMet Parks' infrastructure.
- B. The forecast should differentiate between revenue associated with one-time economic activities and revenues derived as a result of economic growth. PenMet Parks' financial planning should ensure the continued delivery of needed services by assuring the availability of adequate and ongoing resources during economic downturns.

Section 5. Operating Budget Policies

- A. The Board will adopt and maintain a balanced annual operating budget.
- B. The operating budget will define the District's annual financial plan as developed by the Board and staff in establishing goals and objectives for the ensuing year. The intent of the budget is that one-time and routine expenditures will be financed with current resources.
- C. The operating budget shall serve as the annual financial plan for the District. It will serve as the policy document of the Board for implementing the Board's goals and objectives. The budget will provide staff with the resources necessary to accomplish the determined service levels.
- D. Balanced revenue and expenditure forecasts will be prepared to examine the District's ability to absorb operating costs due to changes in the economy, service demands, contractual obligations, and capital improvements.
- E. In the event a balanced budget is not attainable, and the cause of the imbalance is expected to last for no more than one year, the use of reserves to balance the budget is permitted. In the event that a budget shortfall is expected to continue beyond one year, the reserves may be used, but only if developed as part of a corresponding strategic financial plan to close the gap through revenue increases or expenditure decreases.
- F. The budget will give first consideration to ongoing mission led programs before the addition of any new program. Budgets associated with any proposed new program should be submitted and reviewed at least four months prior to adoption and incorporation into the budget. Additional personnel should be recommended only after the need has been fully substantiated. Personnel not authorized in the budget must be approved by the Board.
- G. The budget will reflect the projection of all revenues from all sources and all expenditures and present the level of governmental services and method of allocating costs in the provision of these services to the community.

- H. Current operating expenditures will be paid from current revenues and cash carried over from the prior year after the reserve requirements are met. The District will avoid budgetary and accounting practices that balance the current budget at the expense of future budgets.
- I. The District will maintain a level of expenditures that will enhance public wellbeing and quality of life for the residents of the community.
- J. A multi-year maintenance and replacement schedule will be developed based on the District's projections of its future replacement and maintenance needs. The projections will be updated and the schedule revised on an annual basis.
- K. The budget will provide sufficient levels of maintenance and replacement funding to ensure that all capital facilities and equipment are properly maintained and that such future costs will be minimized.
- L. Year-end surpluses in the General Fund may be used for nonrecurring emergency capital expenditures or dedicated to the Capital Program. The following criteria must be met to qualify any portion of the General Fund surplus for these purposes:
- There are surplus balances remaining after the Reserve Fund is fully funded and allocations to the other funds are made;
 - An analysis has occurred assuring that the District has an adequate level of short and long-term funding resources to support the proposed alternate use of the surplus balances; and
 - The funds are specifically appropriated by the Board.

Section 6. Budgetary Control Policies

- A. The District will adopt a twelve (12) month balanced calendar year budget with annual financial reporting. The balanced budget means budgeted expenditures will not exceed the available resources of the beginning fund balance plus all revenues.
- B. The budget will be developed and administered in compliance with all applicable State of Washington budgetary statutes.

The Administration will maintain a system for monitoring the District's budget performance. The system will include provisions for amending the budget during the year in order to address unanticipated needs, surpluses or emergencies.

- C. Accounting and reporting practices will be maintained to provide accurate and timely monitoring of the District's budget performance.
- D. Appropriations requested after the original budget is adopted will be approved only after consideration of the elasticity of anticipated revenues. Such appropriations must be approved by the Board.
- E. Monthly budget reports and monthly financial reports will be issued by the Executive Director or his or her designee to the Board reporting on the actual performance compared to budget estimates.
- F. The budget may be adjusted during the year in order to address unanticipated needs, emergencies or changes in work plan. Adjustments or amendments will occur through a process coordinated by the Executive Director or his or her designee.
- G. The budget is adopted at the fund level with allocations made for administrative control. Reallocation of existing appropriation does not change the adopted budget "bottom-line." It may become necessary to shift allocations between line items, programs, or even departments to meet unanticipated needs, emergencies, or changes in work plan. As long as the total fund budget is not changed, the adjustment can be done administratively with the authorization of the Department Manager and approval of the Executive Director with the exception of any shift of allocation from the Maintenance Department which requires approval by the Board.
- H. The Executive Director has the authorization to transfer money between funds and between projects within the CIP, but only if approved by the Board in advance and as part of amending the adopted budget.

- I. The budget may also be amended during the year in order to address unanticipated needs, emergencies or changes in work plan. Formal amendment of the budget through Board approved resolution amending the expenditure appropriation and the related funding source is required when a fund's total budget changes. The change can either be when existing budget authority is moved between funds or when a new budget authority is needed such as in the case of receiving additional grant funding.

Section 7. Revenue Policies

- A. The District will strive for a diversified and stable revenue system to protect against short-term fluctuations in any one revenue source. The District will seek to avoid dependence on temporary or unstable revenues to support on-going services. The District will also seek to avoid dependence on federal or state revenues. The revenue mix should combine revenue source types that minimize the effect of an economic downturn.
- B. Because revenues, especially those of the General Fund, are sensitive to local and regional economic conditions, revenue estimates will be conservative and will be made using an objective, analytical process.
- C. General Fund and other unrestricted revenues will not be earmarked for specific purposes, activities or services unless otherwise authorized by the Board or required by law. All non-restricted revenues will be deposited into the General Fund and appropriated through the budget process.
- D. The District will not use deficit financing and borrowing to support on-going operations in the case of long-term (greater than one year) revenue downturns. Revenue forecasts will be revised and expenses will be reduced to conform to the revised long-term revenue forecast or alternative revenue sources will be considered.
- E. The District will follow an aggressive and professional policy of collecting revenues and, when necessary, discontinuing service, pursuing the claim in court, utilizing a collection agency and other reasonable methods of collection (such as imposing penalties, collection and late charges) may be used.

Fees and Charges

- F. The District will charge appropriate service user fees instead of ad valorem (property) taxes or subsidies from other District funds, for services that can be identified and where costs are directly related to the level of service provided.
 1. Park recreation programs shall be funded by a user charge. User charges shall be comparable to other neighboring municipalities where practical.
 2. Reimbursable work performed by the District (labor, meals, contracted services, equipment and other indirect expenses) shall be billed at actual or estimated actual

cost.

3. Charges for services shall accurately reflect the actual or estimated cost of providing a specific service where practical. The cost of providing specific services shall be recalculated periodically, and if necessary, the fee adjusted accordingly. The District shall maintain a current schedule of fees and charges, showing when the fees were last reviewed and/or recalculated. Fees and charges will be reviewed every three years at a minimum.
4. The District will consider market rates and charges levied by other municipalities for like services in establishing rates, fees, and charges.
5. Certain fees, such as rental fees, will be based upon market conditions and are not subject to the limitations of cost recovery.

Grants and Gifts

- G. Grant funding for programs or items which address the District's current priorities and policy objectives should be considered to leverage District funds. Inconsistent and/or fluctuating grants should not be used to fund on-going programs .
- H. Before accepting any grant, the District shall thoroughly consider whether or not the terms of the grant will have a negative impact on any on-going obligations.
- I. All grants and other federal and state funds shall be managed to comply with the laws, regulations, and guidance of the grantor, and all gifts and donations shall be managed and expended in accordance with the District's Donation Policy and the wishes and instructions of the donor.

Section 8. Expenditure Policies

- A. The District will strive to adopt an annual General Fund budget in which current expenditures do not exceed current projected revenues. Capital expenditures may be funded from one-time revenues.
- B. Department Managers are responsible for managing their budgets within the total appropriation for their department.
- C. The District will take immediate corrective actions if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases or use of contingencies. The District may approve a short-term interfund loan or use of one-time revenue sources to address temporary gaps in cash flow, although this should be avoided if possible.
- D. Long-term debt or bond financing shall not be used to finance current operating expenditures.
- E. Consideration will be placed on improving individual and work group productivity rather than adding to the work force. The District will invest in technology and other efficiency tools to maximize productivity. The District will hire additional staff only after the need for such positions has been demonstrated and documented.
- F. All compensation planning will focus on the total costs of compensation which includes direct salary, health care benefits, pension contributions, and other benefits which are a cost to the District. Contracts presented for approval by the Executive Director that do not meet these requirements will have specific operational, legal or other compulsory items identified and discussed before ratification by the Board will be considered.
- G. Periodic comparisons of service delivery will be made to ensure that quality services are provided to our citizens at the most competitive and economical cost. Privatization and contracting with other governmental agencies will be evaluated as alternatives to service delivery where appropriate. Programs that are determined to be inefficient and/or ineffective or not aligned with the mission of the District have the potential to be reduced in scope or eliminated.

- H. The District will make every reasonable effort to maximize any discounts offered by creditors/vendors.

Section 9. Investment Policy

Funds are managed by the Pierce County Treasurer (see Pierce County Investment Policies).

District staff will review all investments at least monthly.

Monthly investment reports will be issued by the Executive Director or his or her designee to the Board to monitor the District's Investment fund performance and fees.

Section 10. Accounting and Reporting Policies

- A. The District's accounting and financial reporting will follow the Washington State Auditor's Office prescription for the accounting and reporting of local governments in the State of Washington under RCW 43.09.200.
- B. The State Auditor's Office provides a standard account classification system through its Budgeting Accounting and Reporting System (BARS). The District is classified as a Special Purpose Governmental District and will maintain its records on a basis consistent with the Category 2 BARS manual.
- C. The Executive Director or his or her designee will maintain electronic financial systems to monitor expenditures, revenue, and performance of all District programs on an on-going basis. The Board will receive regular monthly reports that will present a summary of financial activity for the period and the cumulative data for the budget year.
- D. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The District's resources are allocated to and accounted for in individual funds depending on their intended purpose.
- E. Revenues are recognized only when cash is received and expenditures are recognized only when paid, including those properly chargeable against the report year budget appropriations as required by State law. Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.
- F. The Executive Director or his or her designee shall maintain fixed asset records for all capital assets owned by the District. The threshold for capitalization of non-infrastructure assets is \$25,000.
- G. The State Auditor's Office will perform a financial and compliance audit on a scheduled basis and issue an audit report. Results of the audit will be provided to the Board.
- H. The District will conduct an internal financial review on an annual basis.

Section 11. Fund Policies

To be consistent with text contained in the annual budget, the following is a list of District Financial Funds:

A. General Fund

The General Fund is the general operating fund of the District. This fund is used to account for all financial resources and expenditures of the District which are not accounted for in other funds.

The General Fund provides funding for general purpose governmental services to the citizens. This fund is used to account for all general financial resources except those that must be accounted for in a special revenue fund.

B. Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specific purposes.

1. Reserve Fund

Use of reserve funds must be authorized by a Resolution of the Board.

2. Recreational Activities Fund

The Recreational Activities Fund is user fee based. Revenues are collected and used to operate a particular recreational activity with excess funds used for improvements to support programs, facilities, and events.

3. Equipment Replacement Fund

Use of this fund is restricted to capital equipment replacement and is funded annually by the General Fund at 100% of equipment replacement value divided by the number of years of useful life.

C. Debt Service Fund

1. The Debt Service Fund is used only to account for the accumulation of resources for, and the payment of, long-term debt, principal and interest.

This fund contains several types of debt including but not limited to:

- Special Voter Approved Levies
- Voted Unlimited Tax Obligation Bonds

- Non-Voted Limited Tax Obligation Bonds
 - General Obligation Bonds
2. Under RCW 39.36.020(2), the public may vote to approve bond issues [known as Unlimited Tax General Obligation (UTGO) Bonds] for general government in an amount not to exceed 2.5% of the assessed valuation, less any other outstanding debt.
- All voter approved UTGO Bonds require a 60% majority approval and to validate the election, the total votes cast must equal to at least 40% of the total votes cast in the last general election.
- The Board may approve non-voted bond issues known as Limited Tax General Obligation (LTGO) Bonds. The non-voted debt capacity limit may not to exceed 0.25% of the District's assessed valuation, less any other outstanding non-voted debt.
3. Debt service for voter approved UTGO Bond issues are funded with special excess property tax levies. By law, the maximum financing term for UTGO Bonds is 40 years or less.

Debt service for non-voted LTGO Bond issues are funded through regular property taxes and other money lawfully available. By law, the maximum financing term for LTGO Bonds is 40 years or less.

D. Permanent Funds

Permanent Funds are legally restricted so only earnings, not principal, may be used to support the specific government program. The Board will adopt separate policies governing the management of restricted funds such as endowments.

E. Capital Improvement Funds

Capital Improvement Funds account for the purchase, construction, replacement, addition, or major repair of public facilities and major equipment. These projects differ from routine maintenance in that their cost is generally greater than \$25,000 and they have a useful life of generally ten (10) years or more. Examples may include but are not limited to: buildings, bridges, parks, major trails, and significant pieces of equipment.

F. Depository Account

All District funds received shall be deposited in the bank of record within three (3) business days of receipt, except when staffing levels are inadequate to timely make such deposits, but in such events such deposits shall be made as soon as reasonably possible not to exceed two (2) weeks. Funds are automatically transferred from the depository account to the District's fund account with Pierce County (the District's Treasurer).

G. Fund Balance and Maintenance of Minimum Reserve Levels

The District shall strive to maintain adequate fund balances (reserves) in order to provide sufficient cash flows to meet operating and capital expenses, while also providing the financial ability to address economic downturn and system emergencies. Operating expenditures shall include salaries, benefits, supplies, professional services, intergovernmental and interfund expenses, capital outlays and transfers.

Section 12. Debt Policies

A. Capital Planning:

The District shall integrate its debt issuance with its Capital Improvement Program (CIP) spending to ensure that planned financing conforms to policy targets regarding the level and composition of outstanding debt. This planning considers the long-term horizon, paying particular attention to financing priorities, capital outlays and competing projects. Long-term borrowing shall be confined to the acquisition and/or construction of capital improvements and shall not be used to fund operating or maintenance costs. For all capital projects under consideration, the District shall set aside sufficient revenue from operations to fund ongoing normal maintenance needs and to provide reserves for periodic replacement and renewal. The issuance of debt to fund operating deficits is not permitted.

B. Legal Governing Principles

In the issuance and management of debt, the District shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local rules and regulations, as applicable.

1. State Statutes – The District may contract indebtedness as provided for by state law, subject to the statutory and constitutional limitations on indebtedness.
2. Federal Rules and Regulations – The District shall issue and manage debt in accordance with the limitations and constraints imposed by federal rules and regulations including the Internal Revenue Code of 1986, as amended; the Treasury Department regulations thereunder; and the Securities Acts of 1933 and 1934.
3. Local Rules and Regulations – The District shall issue and manage debt in accordance with the limitations and constraints imposed by local rules, policies, and regulations.

C. Roles & Responsibilities

The Board:

1. Approves indebtedness;
2. Approves appointment of the bond underwriter and bond counsel;
3. Approves the Financial Management Policy, including the section on the Debt Policy; and

4. Approves budgets sufficient to provide for the timely payment of principal and interest on all debt.

The Executive Director (and/or Director of Finance ~~Manager~~) in consultation with the Board:

1. Assumes primary responsibility for debt management;
2. Provides for the issuance of debt at the lowest reasonably possible cost and risk;
3. Determines the available debt capacity;
4. Provides for the issuance of debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
5. Recommends to the Board the manner of sale of debt;
6. Monitors opportunities to refund debt and recommends such refunding as appropriate;
7. Complies with all Internal Revenue Service (IRS), Securities and Exchange Commission (SEC), and Municipal Securities Rulemaking Board (MSRB) rules and regulations governing the issuance of debt;
8. Provides for the timely payment of principal and interest on all debt and ensures that the fiscal agent receives funds for payment of debt service on or before the payment date;
9. Provides for and participates in the preparation and review of offering documents;
10. Complies with all terms, conditions and disclosure required by the legal documents governing the debt issued;
11. Submits to the Board all recommendations to issue debt;
12. Provides for the distribution of pertinent information to rating agencies;
13. Complies with undertakings for ongoing disclosure pursuant to SEC Rule 15c2-12; and
14. Applies and promotes prudent fiscal practices.

D. Ethical Standards Governing Conduct

The members of the District's staff will adhere to the standards of conduct as stipulated by the Public Disclosure Act, RCW 42.17 and Ethics in Public Service, RCW 42.52.

E. Types of Debt Instruments:

The District may utilize several types of municipal debt obligations to finance long-term capital projects. Subject to the approval of the Board, the District is authorized to sell:

1. **Unlimited Tax General Obligation Bonds** – The District shall use Unlimited Tax General Obligation Bonds (UTGO), also known as “Voted General Obligation Bonds” for the purpose of general purpose, pool improvements, open space and parks. Voted Bond issues are limited to capital purposes only.

Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project. UTGO Bonds are payable from excess tax levies and are subject to the approval of 60% of the voters at an election to be held for that purpose, plus validation requirements.

2. **Limited Tax General Obligation Bonds** – A Limited-Tax General Obligation Debt (LTGO), also known as “Non-Voted General Obligation Debt,” requires the District to use a portion of its regular property tax levy sufficient to meet its debt service obligations but only up to a statutory limit. The District shall use LTGO Bonds as permitted under State law for lawful purposes only. LTGO debt is backed by the full faith and credit of the District and is payable from regular property taxes and other money lawfully available. LTGO Bonds will only be issued if:
 - a. The District determines they can afford the payments;
 - b. A project requires funding not available from alternative sources;
 - c. Matching fund monies are available which may be lost if not applied for in a timely manner; or,
 - d. Emergency conditions exist.
3. **Revenue Bonds** – The District shall use Revenue Bonds as permitted under State law for the purpose of financing construction or improvements to facilities of enterprise systems (if any) operated by the District in accordance with the Capital Improvement Plan.
4. **Short-Term Debt** – The District shall use short-term debt as permitted by State law for the purpose of meeting any lawful purpose of the municipal corporation, including the immediate

financing needs of a project for which long-term funding has been secured but not yet received. The District may use interfund loans rather than outside debt instruments to meet short-term cash flow needs for the project. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All interfund loans will be subject to the Board's approval and will bear interest at prevailing rates.

5. **Leases** – The District is authorized to enter into capital leases under State law, subject to the approval of the Board.

F. General Requirements

1. The District will not use long-term debt to pay for current operations. The use of bonds or certificates of participation will only be considered for significant capital and infrastructure improvements.
2. The term of the debt shall never extend beyond the useful life of the improvements to be financed, and generally the term of the debt will not exceed thirty (30) years.
3. The general policy of the District is to establish debt repayment schedules that use level annual debt service payments (i.e., principal plus interest).
4. Interest earnings on bond proceeds will be limited to 1) funding the improvements specified in the authorizing bond resolution, or 2) payment of debt service on the bonds.

Proceeds from debt will be used in accordance with the purpose of the debt issue. Funds remaining after the project is completed will be used in accordance with the provisions stated in the bond resolution that authorized the issuance of the debt.

5. The District will use the most prudent methods of acquiring capital outlay items, including the use of a direct payment to a bank or lease-purchase agreements. In no case will the District enter into a lease-purchase agreement if the equipment has a useful life that is less than the term of the lease.
6. The District will maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved. The District will encourage and maintain good relations with financial bond rating agencies and will follow a policy of full and open disclosure.
7. The District shall use refunding bonds in accordance with the Refunding Bond Act, as amended or superseded. Unless otherwise justified, the District will refinance debt to achieve true savings as market opportunities arise. Refunding debt shall never be used for the purpose of avoiding debt service obligations. A target 5% cost savings (discounted to its present value) over the remainder of the debt must be demonstrated for any “current refunding,” unless otherwise justified.
8. With the Board’s approval, interim financing of capital projects may be secured from the debt financing marketplace or from other funds through an interfund loan as appropriate in the circumstances.
9. An independent outside financial advisor may be used to provide the District with objective advice and analysis on debt issuance.
10. A fiscal agent will be used to provide accurate and timely securities processing and timely payment to bondholders. As provided by RCW chapter 43.80 the District will use the fiscal agent appointed by the State.
11. Projects proposed for financing through general obligation debt will be accompanied by an analysis of the future operating and maintenance costs associated with the project.

Section 13. Communication Policies

- A. It is the policy of the District to remain as transparent as possible.
- B. The District shall manage relationships with the rating analysts assigned to the District's credit, using both informal and formal methods to disseminate information.
- C. The District's Basic Financial Statements and Notes shall be a vehicle for compliance with continuing disclosure requirements. The Notes to the Financial Statements may be supplemented with additional documentation as required. Each year included in the Notes to the Financial Statements, the District will report its compliance with debt targets and the goals of the Debt Policies.
- D. The District shall strive to maintain and improve its current bond rating.

Section 14. Compliance Policies**A. Investment of Proceeds**

The District shall comply with all applicable federal, state and contractual restrictions regarding the investment of bond proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of invested funds as well as restrictions on the time period over which some of the proceeds may be invested.

B. Legal Covenants

The District shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering.

C. Periodic Policy Review

At a minimum, the Financial Management Policies and the District's Post Issuance Compliance Policy will be reviewed and updated every five (5) years.

Section 15. Capital Improvement and Capital Budget Policies

- A. It is the District's policy to ensure that adequate resources are allocated to preserve existing infrastructure and other capital assets before targeting resources toward construction or acquisition of public facilities or major equipment. The District will maintain its physical assets at a level adequate to protect its capital investment and minimize future maintenance and replacement costs. The budget will provide for the orderly replacement of the capital assets from current resources where possible. Long-term borrowing for capital facilities is considered an appropriate method of financing large facilities that benefit more than one generation of users.
- B. The District will develop a six-year Capital Improvement Plan (CIP) to identify and coordinate infrastructure, facility, and major pieces of equipment needs and what facilities to construct, their location, timing, projected cost, and funding sources in a way that maximizes the return to the community. The plan is directed at improving the parks and recreational infrastructure for the community. All capital improvements will be made according to the adopted CIP.
- C. The CIP will be formulated using an analysis of long-term, overall resources and will include projected funding sources and ongoing operations and maintenance costs. Future changes in economic or demographic factors identified in the financial forecasting process will be incorporated in the capital budget projections. The plan will be updated annually.
- D. The first year of the CIP will constitute the capital budget for the ensuing budget year. The capital budget and the base operating budget will be reviewed at the same time to assure that the District's capital and operating needs are evaluated in a balanced manner.
- E. The District will reasonably determine the least costly financing method for all new projects. Whenever possible, the District will use intergovernmental assistance and other outside resources to fund capital projects. Additional funding may come from designated surpluses in the General Fund and certain special revenue funds as outlined in the operating budget policy.
- F. Projects contained within the CIP will include capital costs as well as ongoing operating costs.
- G. For the purposes of this section, a CIP project is defined as any one project or a grouping of similar projects that are reasonably

related where the cost exceeds \$25,000 and/or a life span of more than 10 years; involves new construction or reconstruction designed to replace an existing system or facility; acquisition of land or structures; involves District funding in whole or in part; or involves no District funding but is the District's responsibility to implement, operate or maintain, such as a 100 percent grant funded project.

- H. Minor equipment that falls below the capital asset threshold but is subject to shrinkage shall have a District property tag affixed to it when placed into service and will be accounted for on the "Small and Attractive" inventory list.
- I. The Finance Department will coordinate an annual physical count/inspection of all capital assets.
- J. Adequate insurance will be maintained on all capital assets consistent with the results of the annual physical count / inspection.

Section 16. Cash and Purchasing Policies

- A. The Executive Director or his or her designee will develop, maintain, and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment and security of all cash assets. Written cash handling procedures are updated periodically and made available to all departments.
- B. Purchase of goods and services will be accomplished by a separate purchasing policy adopted by the Board.
- C. Payroll costs are authorized by budget adoption.
- D. Expenditures will be within current resource projections at the fund level.

Appendix B: Limited Tax General Obligation Bonds

The following schedules of long-term debt provides a listing of the District's outstanding debt and summarizes PenMet Parks' debt transactions through 2029.

TOTAL OUTSTANDING LONG-TERM DEBT						
Description	2024	2025	2026	2027	2028	2029
Sehmel Homestead Park Bonds	\$ 1,105,000	\$ 750,000	\$ 380,000	\$ -	\$ -	\$ -
Community Recreation Center Bonds	\$ 14,340,000	\$13,935,000	\$ 13,525,000	\$ 13,110,000	\$ 12,685,000	\$ 12,255,000
Total	\$ 15,445,000	\$14,685,000	\$ 13,905,000	\$ 13,110,000	\$ 12,685,000	\$ 12,255,000

Long-term debt obligation through 2029.

TOTAL PAYMENT ON LONG-TERM DEBT						
Description	2024	2025	2026	2027	2028	2029
Sehmel Homestead Park Bonds	\$543,400	\$399,200	\$400,000	\$395,200	\$ -	\$ -
Community Recreation Center Bonds	\$810,371	\$807,467	\$808,230	\$807,917	\$810,970	\$808,218
Total Debt Service Payment	\$1,353,771	\$1,206,667	\$1,208,230	\$ 1,203,117	\$810,970	\$808,218

Long-term debt obligation through 2029.

Pursuant to Resolution R2005-005 adopted by the Board of Park Commissioners on June 13, 2005, \$6,530,000 of 2005 Limited Tax General Obligation Bonds were issued to pay the cost of acquiring and improving District facilities. Pursuant to Resolution R2012-014 adopted by the Board of Park Commissioners on April 14, 2012, \$4,925,000 of 2005 Limited Tax General Obligation Bonds were authorized to be reissued. A total of \$5,610,000 of Limited Tax General Obligation Refunding Bonds were issued for the purpose of refunding a portion of the District's outstanding general debt for debt service savings and prepay a portion of a promissory note issued to acquire certain real property for park and recreation purposes. This tranche of bonds, referred to as the Sehmel Homestead Park bonds, are due to be retired in 2027 according to the following schedule:

SEHMEL HOMESTEAD PARK BONDS				
Year Ending	Interest	Principal	Total Payment	Remaining Balance
2024	\$ 63,400	\$480,000	\$543,400	\$1,105,000
2025	\$44,200	\$355,000	\$399,200	\$750,000
2026	\$30,000	\$370,000	\$400,000	\$380,000
2027	\$15,200	\$380,000	\$ 395,200	\$ -

Sehmel Homestead Park debt obligation through 2027.

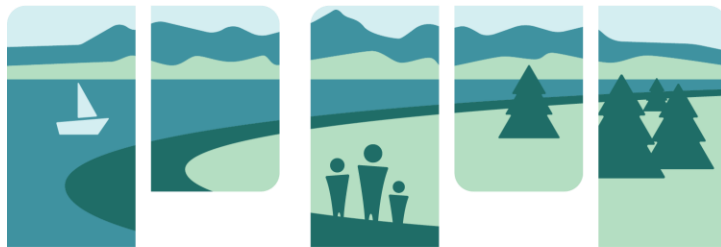
Pursuant to Resolution R2021-007 adopted by the Board of Commissioners on March 16, 2021, the Board authorized the issuance and sale of one or more series of Limited Tax General Obligation Bonds in an aggregate principal amount not to exceed \$20,000,000 to design, construct, equip, renovate and make certain capital improvements to the facilities of the District. In April 2021 the District subsequently issued and sold \$16,000,000 in Limited Tax General Obligation Bonds, now commonly referred to as the Community Recreation Center, or "CRC", bonds. The six-year debt schedule on the CRC bonds is as follows:

COMMUNITY RECREATION CENTER BONDS				
Year Ending	Interest	Principal	Total Payment	Remaining Balance
2024	\$405,371	\$405,000	\$810,371	\$14,340,000
2025	\$402,467	\$405,000	\$807,467	\$13,935,000
2026	\$398,230	\$410,000	\$808,230	\$13,525,000
2027	\$392,917	\$415,000	\$807,917	\$13,110,000
2028	\$385,970	\$425,000	\$810,970	\$12,685,000
2029	\$378,218	\$430,000	\$808,218	\$12,255,000

Community Recreation Center debt obligation through 2029.

Six-Year Capital Improvement Plan (CIP)

2024



PenMet Parks

2024 CIP Project Priorities and Details

CRC HVAC System Replacement

2024

Priority 1

Planned Major
Maintenance

Budget: **\$414,000**

2024 CIP

Allocation: **\$414,000**

Scope:

Replace aging HVAC System with energy efficient alternative.



Parking Lot Pavement Upgrades

2024

Priority 2

Planned Major
Maintenance

Budget: **\$182,000**

2024 CIP Allocation:
\$182,000



Scope:

- Address deteriorated pavement as needed to extend life at Sehmel Homestead Park, Fox Island Fishing Pier and CRC Administration Building.
- Includes pavement markings where needed.
- Stripe CRC lot for pickleball.

Heavy Equipment Acquisition Fund

2024

Priority 3

Strategic Priority

Budget: **\$50,000**

2024 CIP Allocation: **\$50,000**

Scope:

Annual set-aside to build capital equipment fund to improve operating efficiencies.

Implement District Signage Master Plan

2024

Priority 4

Deferred Maintenance and Strategic Priority

Budget: **\$282,000**

2024 CIP Allocation: **\$282,000**



Way Signage



Vehicular Signage

Pedestrian Signage

Scope:

Implement outcomes of signage master plan.



Informational Signage

Identification Signage

Promotional Signage



Madrona Links

2024

Priority 5

Strategic Priority,

Planned Major
Maintenance

Budget: **\$1,000,000**

2024 Allocation:
\$500,000



Scope:

Hold funds, strategic
priority.



PenMet Parks

Peninsula Gardens

2024

Priority 6

Strategic Priority

Budget: **\$150,000**

2024 CIP Allocation: **\$150,000**

Scope: Prepare master plan.



Tacoma DeMolay Sandspit Nature Preserve

2024

Priority 7

Strategic Priority

Budget: **\$303,000**

2024 CIP
Allocation:
\$303,000

Scope:
Island Blvd.
Property
acquisition,
provides match for
Conservation
Futures grant.



PenMet Parks

Fox Island Fishing Pier

2024

Priorities 8 and 9

Strategic Priority

Budget: **\$239,000**

2024 CIP Allocation:
\$239,000



Scope:

- Improve beach access for hand launches (\$145,000, Priority 8).
- Provide new prefabricated picnic shelter (\$94,000, Priority 9).



PenMet Parks

Capital Campaign Initiative

2024

Priority 10

Strategic Priority

Budget: **\$279,564**

2024 CIP Allocation: **\$279,564**

Scope:

Capital campaign implementation and management.



PenMet Parks

Planned Major Maintenance Reserve

2025

Priority 11

Planned Major Maintenance

Budget: **\$500,000**

2025 CIP Allocation: **\$500,000**

Scope:

Annual set-aside to build planned major maintenance reserve fund. Scope dependent on facilities condition audit findings.



PenMet Parks

Strategic Property Acquisition Fund

2025

Priority 12

Strategic Priority

Budget: **\$150,000**

2025 CIP Allocation: **\$150,000**

Scope:

Annual set-aside to establish reserve fund for strategic acquisitions of properties when opportunities arise.



PenMet Parks

Heavy Equipment Acquisition Fund

2025

Priority 13

Strategic Priority

Budget: **\$50,000**

2025 CIP Allocation: **\$50,000**

Scope:

Annual set-aside to build capital equipment fund to improve operating efficiencies.



PenMet Parks

Peninsula Gardens

2025

Priority 14

Strategic Priority

Deferred Maintenance

Budget: **\$3,753,750**

2025 CIP Allocation: **\$2,100,000**

Scope: Phase I development, park amenities.



PenMet Parks

Narrows Park

2025

Priority 15

Planned Major
Maintenance, Strategic
Priority

Budget: **\$582,750**

2024 CIP Allocation:
\$582,750



Scope:

Accessibility improvements and restroom. Improve accessibility to the beach, provide ADA access to picnic area, provide permanent restroom if feasible.



PenMet Parks

McCormick Forest Park

2025

Priority 16

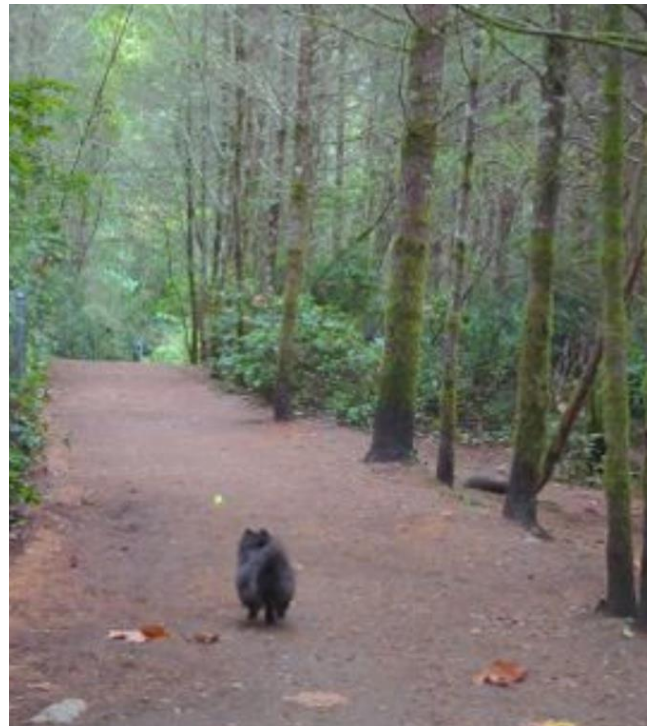
Strategic Priority

Budget: **\$525,000**

2025 CIP Allocation:
\$525,000

Scope:

Develop & construct multi-use community trails as identified by 2023 PROS Plan.



PenMet Parks

Planned Major Maintenance Reserve

2026

Priority 17

Planned Major Maintenance

Budget: **\$500,000**

2026 CIP Allocation: **\$500,000**

Scope:

Annual set-aside to build planned major maintenance reserve fund. Scope dependent on facilities condition audit findings.



PenMet Parks

Strategic Property Acquisition Fund

2026

Priority 18

Strategic Priority

Budget: **\$150,000**

2026 CIP Allocation: **\$150,000**

Scope:

Annual set-aside to establish reserve fund for strategic acquisitions of properties when opportunities arise.



PenMet Parks

Heavy Equipment Acquisition Fund

2026

Priority 19

Strategic Priority

Budget: **\$50,000**

2026 CIP Allocation: **\$50,000**

Scope:

Annual set-aside to build capital equipment fund to improve operating efficiencies.



PenMet Parks

Peninsula Gardens

2026

Priority 20

Strategic Priority

Deferred Maintenance

Budget: **\$3,753,750**

2026 CIP Allocation: **\$1,653,750**

Scope: Phase I development, park amenities.



Planned Major Maintenance Reserve

2027

Priority 21

Planned Major Maintenance

Budget: **\$500,000**

2027 CIP Allocation: **\$500,000**

Scope:

Annual set-aside to build planned major maintenance reserve fund. Scope dependent on facilities condition audit findings.



PenMet Parks

Strategic Property Acquisition Fund

2027

Priority 22

Strategic Priority

Budget: **\$150,000**

2027 CIP Allocation: **\$150,000**

Scope:

Annual set-aside to establish reserve fund for strategic acquisitions of properties when opportunities arise.



PenMet Parks

Heavy Equipment Acquisition Fund

2027

Priority 23

Strategic Priority

Budget: **\$50,000**

2027 CIP Allocation: **\$50,000**

Scope:

Annual set-aside to build capital equipment fund to improve operating efficiencies.



PenMet Parks

Sehmel Homestead Park

2027

Priority 24

Planned Major Maintenance, Strategic Priority

Budget: **\$868,219**

2027 CIP Allocation: **\$868,219**

Scope:

Replace synthetic turf and grass at Field #1, (infield only).



PenMet Parks

Cedrona Bay

2027

Priority 25

Deferred Maintenance, Strategic Priority

Budget: **\$173,644**

2027 CIP Allocation: **\$173,644**

Scope:

Hand launch improvements and signage.



PenMet Parks

Wollochet Bay Estuary Park

2027

Priority 26

Strategic Priority

Budget: **\$173,644**

2027 CIP Allocation: **\$173,644**

Scope: Prepare master plan.



PenMet Parks

Planned Major Maintenance Reserve

2028

Priority 27

Planned Major Maintenance

Budget: **\$500,000**

2028 CIP Allocation: **\$500,000**

Scope:

Annual set-aside to build planned major maintenance reserve fund. Scope dependent on facilities condition audit findings.



PenMet Parks

Strategic Property Acquisition Fund

2028

Priority 28

Strategic Priority

Budget: **\$150,000**

2028 CIP Allocation: **\$150,000**

Scope:

Annual set-aside to establish reserve fund for strategic acquisitions of properties when opportunities arise.



PenMet Parks

Heavy Equipment Acquisition Fund

2028

Priority 29

Strategic Priority

Budget: **\$50,000**

2028 CIP Allocation: **\$50,000**

Scope:

Annual set-aside to build capital equipment fund to improve operating efficiencies.



PenMet Parks

Sehmel Homestead Park

2028

Priority 30

Planned Major Maintenance, Strategic Priority

Budget: **\$911,630**

2028 CIP Allocation: **\$911,630**

Scope:

Replace synthetic turf and grass at Field #2, (infield only).



Develop Strategic Acquisition Site

2028

Priority 31

Strategic Priority

Budget: **\$303,877**

2028 CIP Allocation: **\$303,877**

Scope:

Design and construct parking area with emergency vehicle access at strategic acquisition site.



PenMet Parks

Planned Major Maintenance Reserve

2029

Priority 32

Planned Major Maintenance

Budget: **\$500,000**

2029 CIP Allocation: **\$500,000**

Scope:

Annual set-aside to build planned major maintenance reserve fund. Scope dependent on facilities condition audit findings.



PenMet Parks

Strategic Property Acquisition Fund

2029

Priority 33

Strategic Priority

Budget: **\$150,000**

2029 CIP Allocation: **\$150,000**

Scope:

Annual set-aside to establish reserve fund for strategic acquisitions of properties when opportunities arise.



PenMet Parks

Heavy Equipment Acquisition Fund

2029

Priority 34

Strategic Priority

Budget: **\$50,000**

2029 CIP Allocation: **\$50,000**

Scope:

Annual set-aside to build capital equipment fund to improve operating efficiencies.



PenMet Parks

Sehmel Homestead Park

2029

Priority 35

Planned Major Maintenance, Strategic Priority

Budget: **\$957,211**

2029 CIP Allocation: **\$957,211**

Scope:

Replace synthetic turf and grass at Field #3, (infield only).



PenMet Parks

Wollochet Bay Estuary Park

2029

Priority 36

Strategic Priority

Budget: **\$7,142,710**

2029 CIP Allocation: **\$1,000,000**

Scope: Implement master plan.



PenMet Parks