

AMBROSE RECREATION AND PARK DISTRICT STATE OF THE DISTRICT AUGUST 2010

BRIEF LOOK BACK:

As discussed last year, the 2009/10 budget year was going to be a challenge. Last budget year was, as expected, lean and troublesome. Staff has cut back funding in a number of areas, besides day to day spending, in an effort to stay within our adopted budget.

Some major steps taken last year and recently to keep us within our budgeted expenditures include the following.

- Reduction in mowing contract during winter months
- Reduction of staffing
- Increase in grants applied for and received
- Wholesaling of utility bills
- Large reduction in "Worker's Comp" expenses (no accidents and no claims).
- New phone system (reduction of monthly fees).
- Hiring of part time programmer with grant funds (no additional cost to the District).
- Increase in number of programs and revenue generated for the District.
- Lease office space to Chamber of Commerce.
- Adoption of new fee policy.

One major budget problem of the district every year is unbudgeted maintenance repair costs for the community center and parks. The community center is an old school building which has at times in its history been somewhat neglected as has the ageing park infrastructure. Every year the District incurs from \$3 to \$11 thousand dollars or more of repair work to the building and grounds. This is a major drain on District funds and cannot be budgeted for accurately.

State budget problems again affected the District last year. An additional \$38,000 of our property taxes were taken by the State (-8%) with the suspension of Proposition 1A. Property taxes are down as a whole from the year before at \$379,203, a total of - \$124,747 less property tax revenue than in the prior budget year.

Our Assessment revenue generated for park maintenance funding was also down by a few thousand dollars over the previous year. The Assessment fund is not as affected by the economy as the property tax is, as this fund is not reduced by re-assessment of the value of a home. The Assessment fund however does fall farther behind each year as it is 12 years old and does not have an automatic increase built in for inflation. This fund has been affected somewhat by the downturn in the economy (mainly by foreclosures) and does not cover the cost of maintenance required in its most basic form. The District's maintenance assessment revenue is \$12,000 short of this year's expenses even with the large cutbacks made in the maintenance line item budget.

The good news for this year, if it can be called that, is that the State is not expected to go after local government dollars to help balance this year's budget.

OUTLOOK:

This current fiscal year may prove to be the worst so far, in this current recession, in regards to revenue. As housing continues to be re-assessed downward, and our assessment falls farther behind and foreclosures continue, our revenue may fall further. The District will continue to cut costs where possible and look for more ways to increase revenue. At this point the District has made severe cuts to its operations and staffing. Our best opportunity in the future to keep District funding stable will be to increase revenue, as most of the possible cost cutting has been done. Future major cost cutting would most likely have to come from staffing.

We have in recent months received grants from First Five, Henkel Corporation and Keizer Foundation adding around \$17,000 dollars to our program revenues. First Five has additionally awarded the District a grant of \$5,000 for this current fiscal year. We have also applied to several other grant programs and will know more about them in the near future. This approach is a win, win situation for the District as we generate new partners, new revenue and new programs with each grant we receive.

Rental income continues to grow with expansion of classes, special events and grants and is very important to help fight the loss of tax revenue. Our new "Fee Policy" and program efforts will assist in keeping revenues growing, but can they keep pace with the dwindling revenue?

This fiscal year will see the beginning of Ambrose Park Master Plan activities. With Board approval staff will be contracting for the start of phase 1 construction drawings on the Ambrose Park Pool project. Construction drawings will take about 5 months to complete before the District can go out to bid. Following a 2 month bid process it will take another 9 months to complete construction. The District has several grant applications and funding sources under consideration that will determine the viability and scope of the phase 1 project.

IN CLOSING:

This September the Board will hold a retreat to discuss the future direction of the District. This will be an important process as the Board looks at priorities of operations of the District and sets direction to keep the future of the District strong and a viable asset to the community.

The District has performed well over the last few years of the economic downturn. With continued strong Board leadership and backing the District has made the decisions necessary to keep the District financially healthy. Over the last few years of the recession the District has grown the General Fund Reserve and has operated every year within budget.