MINUTES
FUNDING WORKSHOP
SPRINGFIELD-GREENE COUNTY PARK BOARD
Thursday, April 4, 2019
Park Board Administrative Offices
1923 N. Weller, Springfield, Missouri

I. ROLL CALL

Ms. Carolyn Gerdes, Chair, called the meeting to order at 5:37 p.m.

Members Present: Scott Bailes, Randy Blackwood, Mike Chiles, Carolyn Gerdes, Cynthia Lipscomb, Tammy Mast, Sidney Needem, Michele Risdal-Barnes

Members Absent: Dee King

Park Board Staff Present: Bob Belote, Jon Carney, Matt Coats, Jeff Cumley, Jim Fisher, Karen Mellinger, Jerry Mitchell, Miles Park, Kim Reser, Diana Tyndall, Lana Woolsey

II. WORKSHOP OVERVIEW – FOLLOW UP TO FY 2019-20 PARKS BUDGET PROCESS

Mr. Bob Belote, Director of Parks, stated that this funding workshop was a follow-up meeting from the Board's discussion of the FY 2019-20 budget document. With no new identified capital funding source, it has become increasingly difficult to perform our day-to-day operations, especially when larger repair items need to be addressed annually. We also have new minimum wage laws that became effective on January 1, 2019, which will have a significant impact on our budget this year and in the future. We have increased fees and charges the last several years as much as we can and still remain affordable and trimmed our budget across the board, but these measures are not enough to address the maintenance and repair projects, the requirements of the new minimum wage laws, and future growth within the park system.

III. REVIEW OF DEPARTMENTAL BUDGET CHALLENGES AND CONSTRAINTS

Mr. Belote reviewed the Funded and Unfunded Priorities documents. The Unfunded Priorities document provides a list of Mandatory Priorities, Deferred Maintenance projects and repairs, City/County Property expansions, Critical Needs to renovation or expand facilities, Efficiency/Enhancement projects, Capital Equipment and Personnel Needs, and Golf Enterprise Fund improvements for our park system. Mr. Belote also reviewed a document that more specifically identified deferred maintenance needs such as replacing shingles and roof repairs, concrete repairs, crack fill, sealcoat, and restriping of parking lots, along with the replacement and repairs of other items at our park facilities. Mr. Miles Park, Assistant Director, mentioned that many of these maintenance projects need to occur more often, but with our current operational budget, we are only able to address the most critical repairs, which are also usually the most expensive. Mr. Park stated that deferring maintenance projects makes it difficult to preserve our older buildings and the many assets of our park system. Several of the Unfunded Priorities projects would upgrade our facilities, which would allow us to host additional State and national championships, bringing in more revenue for us, but would also provide a significant economic impact for the community.

Mr. Belote also reviewed the document that outlined the impact the new minimum wage laws have on our budget. He stated that from January 1 to June 30, 2019, the new minimum wage will impact our budget by $72,153. During the upcoming FY 20 budget cycle, it will cost $272,013 to meet the new requirements. In FY 21, the cost nearly doubles to $534,976. By FY 24, when the minimum wage will be at $12.00 per hour, the impact to our budget will be $1,320,473. These amounts also consider that the new minimum wage amounts will begin affecting some of our full-time employees' salaries. Mr. Belote stated that we cannot implement enough budget cuts or raise our fees and charges enough to cover these significant costs.

IV. REVIEW OF PRIOR FUNDING STRATEGIES IMPLEMENTED

2001 & 2006 Parks Sales Tax Initiatives Mr. Belote reviewed the 2001 and 2006 Parks Sales Tax initiative projects that were completed. He explained that these two county-wide parks sales tax initiatives were part of a four-part installment plan designed to be executed over 20 years. By reinvesting in our sports facilities, developing new family centers and attractions, these projects created new visitor spending in our community. We also reinvested in our neighborhood pools at a time when nearly 70 percent of pools across the country were closing. Although our park system receives the largest percentage of the county-wide parks sales tax currently collected, all of the other Greene County cities rely heavily on this funding as their main source of revenue for their park systems. Board Member Michele Risdal-Barnes commented that many citizens from outside of Greene County utilize our facilities and asked if we have considered a resident and non-resident fee structure. Mr. Belote indicated that we had not because we wanted to keep fees affordable for everyone, but without a significant new funding source soon, it might be something for the Board to seriously consider.

Mr. Belote explained that the Park Board chose to become a self-sufficient department that receives no general fund support from the City of Springfield back in 2008-09. We hit that level of self-sufficiency in 2012. This allowed us not to have to compete with other City departments for general fund dollars and make sure that park resources were spent on park projects. We made this decision with the intent that we would renew the county-wide parks sales tax, so we put funds generated by the tax into park projects and renovations within our park system, without creating a reserve or "rainy day fund".

Adoption of Department Food and Beverage Provisions Mr. Belote reviewed a memo, which was written as a summary of the Board's Future Funding Workshop discussion in August 2016. The topics discussed at that workshop included Critical Financial Considerations and Immediate Budget Priorities, Prospective Short-Term and Long-Term Funding Source Considerations, and other optional initiatives for consideration. Mr. Belote reminded the Board that we discussed how we had made significant budget cuts over the last five years, and without adding any funds back in to the budget, we may have to begin reducing facility hours, maybe even close some facilities, and possibly cut back and even lay-off employees, unless we identified a new funding source.

At the August 2016 Future Funding Workshop, we identified offering enhanced food and beverage options, including the serving of alcohol beverages at selected park facilities for special events as a possible new revenue source. Although we pursued and successfully implemented this new service option, the new revenue has not fulfilled our expectations due to less sponsorship dollars being out there for alcohol sales than we had hoped. It did allow us to grow into this new amenity gradually without conflict or complaints.

Sponsorships We continue to pursue corporate and vendor sponsorships, but we have found organizations are more likely to sponsor smaller events instead of pledging significant financial sponsorships.

Grants/Donations We have done an adequate job in pursuing grants and donations, but it does require significant staff time, and we can continue to improve in this area. Mr. Belote stated that he would like to spend more time on pursuing endowments and family estate gifts, as this is a great funding source, but it is not a sustainable funding option for our day-to-day park system operations.

Board Member Randy Blackwood asked if it was possible to rename a park with a significant donation. Mr. Belote responded that we generally are open to that discussion but would have to review deed requirements, and the Board would have to approve any such proposal.

V. REVIEW OF OTHER FUNDING CONSIDERATIONS

Bond Payment Projects Mr. Belote reviewed our Current Debt Issuances Outstanding and discussed when various project debt would be repaid if we were to possibly pursue a bond initiative. A bond initiative would require approval of the City of Springfield and City Council. However, pursing a bond issue initiative plan would likely only fund a project or two, and we would take on more debt. This funding option would still not address the significant list of unfunded priorities or the minimum wage impact to our budget.

Capital Equipment Leasing The Parks staff also discussed that we have appreciated participating in the City's capital equipment leasing program. However, we are gaining the use of new equipment in which some of the items have a life cycle that is equal to less time than the repayment of the equipment. We are thankful of the City's decision to use carry-over funding of over $500,000 for equipment repairs of the Jordan Valley Park ice chiller and fountain vault.

Pursue and Develop Formal Eco-Tourism Program Opportunities Mr. Belote stated that he still believes that this area should be a far bigger component in our park system. Outdoor activities, trails, and community history are very popular, and they are the type of destination amenities that would attract additional visitors and create new spending. Mr. Belote commented that we will not fully pursue this program until we can have the funds to do it right and make it sustainable and successful.

Concessions/Catering Mr. Belote stated that we have done all that we can do in offering catering options within the space that we currently have available. To grow this area, we would need a dedicated building with appropriate space and equipment for a full-service kitchen and prep area.

Initiative by Petition Parks Sales Tax Mr. Belote mentioned that it would be preferable to gain the approval of Greene County officials and partner with them in seeking a future successful parks sales tax initiative than have our partner groups and organizations do it on their own.

Zoo District Tax This type of tax has been very successful in larger metropolitan areas such as St. Louis and Kansas City, but it would likely lack the necessary support of the community and Greene County officials.

VI. OTHER FUNDING CONSIDERATIONS

Property Mil Tax A handout was provided analyzing the possibility of pursuing an increase in the Property Mil tax. This levy is an assessment on all real and personal property within the corporate limits of the City of Springfield and was passed in 1959. Any increase or decrease in this levy would require a vote of the citizens. To realize additional revenue of $5,000,000 per year, the mil tax levy would have to be raised by .14 cents to .32 cents. Although $5 million dollars would provide additional revenue, it would only be assessed to city residents and would not provide enough funding to pursue the critical needs and future development of our county-wide parks system. A county-wide parks sales tax, however, would also be paid by citizens and visitors outside of the City of Springfield who make purchases within Greene County.

Sales Tax Comparisons in the Area A handout was reviewed showing how Springfield's sales tax rate compared to other surrounding cities. Springfield's sales tax rate is 8.10 percent, which approximately falls in the middle of the 11 cities reviewed. The highest sales tax is in Rogersville at 8.558 percent. Raising the Springfield sales tax rate by ¼ cent would make it similar with Ozark and Republic at 8.35 percent.

2019 Missouri Election Calendar Ms. Jenny Edwards, Public Information Administrator, reported that should the Park Board and Greene County officials support and approve for us to move forward with a ballot issue, we would be eligible for the August and November 2019 election days or April, August, or November 2020 election days. Ms. Edwards explained the cost of placing an item on the ballot and any known upcoming sales tax initiatives, along with the Springfield's Chamber of Commerce's recommendations for completing a successful campaign. Ms. Edwards also mentioned that a county-wide parks and trails sales tax ballot issue would require the approval and support of Greene County officials. Although we would value and appreciate the support of City Council, their approval would not be required. Ms. Edwards mentioned that at this time, City Council is not considering additional sales tax issues until the Police and Fire Pension fund is completely funded. Mr. Belote also mentioned that the Chamber is currently working on issues that mirror our priorities such as outdoor activities, engaging millennials, trail development, and enhanced and repair of sports facilities, so we would be hopeful in obtaining their support.

Board member, Mr. Mike Chiles, mentioned that the Park Board staff and the documentation provided makes a very compelling argument that we need to pursue a significant funding option sooner than later. He also stated that the Park Board was not responsible for the decision to not pursue the third renewal of the county-wide parks sales tax in 2011. We have been a good team player supporting Greene County's decisions to seek tax initiatives to fund other important items and their operational budget. But Mr. Chiles, along with other Board members, expressed that they believe it is now time for the issues the Park Board faces to now be addressed.

Mr. Belote stated that our Economic Impact study will provide us with quarterly progress updates with their findings that will include property values of land near parks and trails, the return on investments made for parks, trails, and sports facilities infrastructure for the community, and a real assessment of the number of people that use our park system facilities.

Community Advocacy Efforts & Potential Partner Groups Mr. Belote stated that we have over 300 organizations that we work with annually, and we feel would be strong partners and advocates on our behalf if we chose to pursue a ballot initiative. We feel that we have been good stewards of the funds generated from the 2001 and 2006 parks sales tax initiatives. The benefits we have provided to our neighborhoods, including making major repairs of existing neighborhood amenities and developing new facilities and attractions, were welcomed and appreciated by our community.

Potential "Impact Projects" for the Board's Consideration Mr. Belote reviewed a document listing potential impact projects for consideration should the Board approve to move forward in seeking a ballot initiative. Many of the projects listed would be additional revenue producing centers, which would also help support the many challenges our budget currently faces. The Board agreed that the list was a good start and a discussion of a finalized list should take place once we determine our next steps.

VII. NEXT STEPS TO TAKE

Board members had several suggestions for achieving data and information from recent successful ballot initiatives. Board members also suggested that we engage the leadership of some of our partner groups and officials. When to move forward with a possible sales tax initiative was discussed at length, along with the pros and cons of each possible election date. It was also discussed whether we could pursue a county-wide parks and trails sales tax and a simultaneous property mil tax increase because our park system needs the increase funding that much. Although no formal vote was taken, the Park Board members were in full support of Mr. Belote moving forward and discussing our possibilities of pursuing a ballot initiative with Greene County officials. Additionally, the Board agreed that Board Member Scott Bailes should be the Chair of the future Parks Sales Tax Committee. It was also agreed that this item should be discussed publicly at the April 12th regular Park Board meeting, at which time, we can announce the formation of a Funding Committee to move this initiative forward as needed.

VIII. ADJOURNMENT

Mr. Randy Blackwood made a motion to adjourn the meeting; seconded by Mr. Sidney Needem. Motion was passed unanimously. The meeting adjourned at 7:50 p.m.