



Tualatin Hills Park & Recreation District Minutes of a Retreat of the Board of Directors

A Retreat of the Tualatin Hills Park & Recreation District Board of Directors was held at 5:30 pm on Tuesday, October 24, 2023, at the Tualatin Valley Water District Headquarters, 1850 SW 170th Avenue, Beaverton, Oregon.

Present:

Alfredo Moreno	President/Director
Barbie Minor	Secretary/Director
Tya Ping	Secretary Pro-Tempore/Director
Felicita Monteblanco	Director
Miles Palacios	Director
Doug Menke	General Manager

Agenda Item #1 – Call to Order

A Retreat of the Tualatin Hills Park & Recreation District Board of Directors was called to order by President Alfredo Moreno on Tuesday, October 24, 2023, at 5:30 pm.

Agenda Item #2 – District Values

General Manager Doug Menke welcomed the board members to their annual retreat and introduced facilitator Thomas Bruner with Bruner Strategies.

Thomas referenced the three core values and value statements adopted by the board last year:

- Leading with Equity with special attention to Racial Equity
 - THPRD values all dimensions of equity including ability, age, ethnicity, gender, race, sexual orientation, and other identities. We see it as an essential core value that we prioritize all aspects of equity. A commitment to equity means looking at individuals' needs and understanding that people need different things to achieve equitable outcomes. THPRD recognizes that to achieve meaningful equity we must prioritize investments in activities to reach those most marginalized, therefore we support a comprehensive investment in equitable outcomes for the most impacted people and at this time, due to disparate impacts, a special focus on activities to advance racial equity is an important component of our overall equity strategies.
- Environmental Stewardship
 - THPRD values the environment and demonstrates this through how we acquire, plan for, and maintain lands. Environmental stewardship extends to the way we build and maintain our facilities, and the practices we use to procure goods and services. THPRD is committed to protecting and improving the environment and to hold ourselves accountable to reducing our carbon footprint and addressing climate change. We commit to continuing to be an active ally and leader on environmental education, natural resource protection, and by adopting practices that uphold environmental stewardship, to ensure we pass on a healthy environment to future generations.
- Commitment to Community Vision
 - We are committed to honoring and realizing the community feedback captured through the district's visioning process and see this work as foundational to our ongoing community engagement work. We will integrate the visioning feedback into our planning and operational efforts to honor the four visioning goals to be Welcoming and Inclusive, provide Play for Everyone, to be Accessible and Safe,

and to practice Environmental Stewardship. The community vision serves as a beacon to illuminate our ongoing community engagement efforts, infused with a deep commitment to actively engage underserved and historically marginalized voices.

Thomas opened the discussion for the board's consideration of reaffirming these values or to consider changes. The board agreed to retain the values and value statements as-is.

Agenda Item #3 – District Priorities

Thomas referenced the three budget priorities for FY 2023/24 that the board adopted last year, noting that district staff has suggested some minor edits as follows (shown in redline):

- Invest in our Employees and Technology
 - We are committed to attracting and retaining exceptional employees and prioritizing employee professional development, support, and well-being. We must also ensure we are investing in technology to operate more efficiently, stay current, provide staff the tools they need to be effective, and to provide improved customer service to THPRD patrons.
- Focus on Strengthening Programming Opportunities
 - We will continue to focus on strengthening and innovating programming options ~~that have been challenged due to the pandemic, staffing levels, and changes in public participation. As we expand program offerings,~~ we will continue to work to break down barriers and actively welcome historically underserved and marginalized people. We will continue to provide FREE programming and expand our efforts through grant-supported partnerships, community events, and broaden our financial aid services
- Develop Sustainable Operating and Financial Models for the Future.
 - We are committed to ensuring that we can continue to offer programs, facilities, parks, and trails that meet the needs of our community while ensuring that we can sustainably care for and maintain our offerings and spaces in the long term. We will actively pursue opportunities to expand and diversify revenue streams.

Thomas opened the discussion for the board's consideration of reaffirming these budget priorities and the edits proposed by district staff. Discussion followed:

- ✓ Felicit Montebianco expressed support for the budget priorities as proposed, especially investing in our employees and how that can positively impact retention. Regarding the proposed additional statement regarding actively pursuing to expand and diversify revenue streams, she asked that the district's values be kept in mind when considering this. For example, giving consideration to the impact on low-income families if considering new or increased fees.
- ✓ President Moreno commented that he is looking forward to hearing more about what expanding and diversifying revenue streams might entail.
- ✓ Barbie Minor described how she is struggling with the conflicting messaging in having a budget priority around the provision of free programming while also having a budget priority around exploring additional revenue streams. While she is a strong advocate for breaking down barriers and providing access for all, holding these two priorities in tandem is a fine balance.
- ✓ Miles Palacios commented on and expressed support for the district's grant efforts in relation to the free programming it provides.
- ✓ Tya Ping expressed support for the priorities as proposed and described their continued relevance. Regarding free programming, she noted that it isn't necessarily free per se, as it is funded through other means, like property tax revenues. Perhaps a different word is needed or the term FREE doesn't need to be in all caps. To her, the term means that the

district is creating opportunities for people to come together so that everyone is able to enjoy something within the district that their tax dollars are funding.

- ✓ Barbie expressed agreement that perhaps the terminology in relation to FREE programming could change or not be capitalized.
- ✓ Felicita added that it is a good question and described the need to continue to work through how the district's values shape it, especially in relation to its fiscal challenges, and holding such questions in balance.
- ✓ President Moreno described the interplay between each of the three budget priorities and how each one is reliant on the other and one can't stand alone, noting that they are in alignment in being able to continue the great work of the district.
- ✓ Thomas recapped the board's discussion by acknowledging that the values and budget priorities, while they might be discussed separately, they are all linked together and that as the district pursues its budget priorities, it should do so through the lens of its values. And, additionally, while free programming does not necessarily mean unfunded, as the district enters the discussion regarding a potential operating levy, we should be thoughtful in how we talk about things in terms of being free.
- ✓ The board reaffirmed the budget priorities as stated and agreed to the edits proposed by district staff.

Agenda Item #4 – FY25 Budget Prep Discussion

General Manager Doug Menke introduced Holly Thompson, Communications director, to provide an overview of the work being done to prepare for potentially referring a local option levy to the voters. Additionally, tonight's board discussion will help provide guidance to district staff in terms of budget considerations without a successful local option levy.

Holly provided a detailed overview of the work of the district's Levy Task Force, and the public opinion research that has been conducted, via a PowerPoint presentation, a copy of which was entered into the record and which included the following information:

- Levy Task Force Charge
 - Should we ask voters for an operating levy?
 - What is the appropriate amount?
 - When should we go to the voters?
- Public Opinion Research
 - 76% of people are satisfied with THPRD services
 - 75% of people are unaware THPRD is facing a funding shortfall
 - 60% of people would support a \$.50 levy per \$1,000 assessed value for five years to preserve park and recreation services
 - \$.50 levy will preserve what we have today, plus new registration system
 - Areas of largest concern:
 - Reductions in garbage collection
 - Closures of public restrooms
 - Elimination of afterschool programs
 - Loss of staff leading classes and performing maintenance
 - Less funding for parks/trails and routine maintenance
- Next Steps
 - November: Final Levy Task Force meeting
 - December: Levy Task Force presents to board
 - January 2024: Board vote
 - March 2024: File with county
 - May 2024: Election Day – May 21, 2024

Holly provided a brief overview of the district's work in preparing for its Fiscal Year 2024/25 Budget during this time of fiscal uncertainty, noting that the staff recommendation is to move

forward in planning for a fully allocated budget assuming a successful levy outcome, and defaulting to operating under a revised operating plan without a successful levy. Under these assumptions, district staff would like to propose the following questions for the board's consideration and direction:

- If the levy doesn't pass, but the margin is close, would we go out to voters again? If so, in 2025?
- If the levy doesn't pass, what will our reduction philosophy be for the FY 24-25 Budget?

Board discussion followed on the two questions proposed. Key discussion highlights included the following:

If the levy doesn't pass, but the margin is close, would we go out to voters again? If so, in 2025?

- ✓ Holly provided an overview of her previous experience building on the foundation of a levy request that was not initially successful in order to enable success the next time around and clarified that "close" could be defined as a 45% or higher "yes" vote.
- ✓ Felicita Monteblanco asked for additional information regarding what the associated costs would be with going out again, adding that she agrees that if the yes vote is close, it would make sense to go out again. She referenced the high number of measures planned for the 2024 ballot and expressed concern about how THPRD is going to stand out.
- ✓ Tya Ping asked for additional information regarding the associated costs of going again as well, and expressed hope that it would be less the second time. Holly replied that the district is currently spending \$3,000 a month on advice and services, but that the costliest item was the polling. She noted that the second time should cost less than the first and offered to provide an estimate for the board's information.
- ✓ Barbie Minor asked, if the Levy Task Force recommends a May 2024 election and it doesn't pass, would there be an option to go out again in November 2024? Holly confirmed that there is flexibility in the timeline.
- ✓ Miles Palacios described that he would be comfortable going out again if the initial yes vote is 40% or greater. He would also like to hear the task force's recommendation regarding whether that should be in November 2024 or sometime in 2025.
- ✓ Barbie expressed agreement with Miles, especially given the polling results regarding the number of people who don't realize that THPRD has a funding issue.
- ✓ President Moreno expressed that he would be comfortable going out again, noting that he hopes the margin would be even greater than 45%, and described the need to articulate the story in a way that meshes with the community's values in order to bring this home successfully. The measure being favored to pass puts even more onus on the board and staff to ensure that everything is as polished as it can be and that the voters have all of the information that they need.
- ✓ Miles expressed agreement with Alfredo's comments, noting that he would like to see the levy communications clearly outline what the reductions might be if the measure fails so that the community isn't surprised. Holly described one of the lessons learned from the polling was that while job loss resonated with the public, they cared even more when they understood exactly what services those positions provide.
- ✓ Felicita requested clear expectations for the board as they embark on this in order to be able to balance the other time commitments of serving on the board.
- ✓ Thomas observed that, as of this point, there appears to be a general consensus that if the levy comes close to passing, the board is amenable to considering going out again (timing TBA). The board confirmed this consensus. Thomas also offered clarification that district staff can only legally provide information and answer questions regarding the levy, while the board members can advocate for the levy in a way that district staff cannot.

If the levy doesn't pass, what will our reduction philosophy be for the FY 24-25 budget?

- ✓ Holly noted that the identified \$16 million funding gap is less than five years away. Would the board want to cut the district's budget by \$16 million the first year? Or phase in the cuts over the next few years?
 - ✓ Tya wondered if reducing the budget by \$16 million immediately would reflect to the public what the ultimate situation would be without additional support, thereby prompting a more-likely successful election result the next time. Holly described how some reductions would be easier to implement immediately, while others are more complex. For example, eliminating afterschool programming immediately would not only be devastating for the families relying on it, but trying to rebuild it after a successful levy would also be difficult. Whereas reducing cleanings and garbage collections would be easier to eliminate initially and then build back.
 - ✓ Felicita described the considerations she has given to a reductions philosophy in terms of public health and safety, noting that she would lean toward cuts in community events where the infrastructure wouldn't disappear overnight.
 - ✓ Holly noted that there are essentially three options: reduce the budget to only what is needed the first year (\$1.6 million); reduce the budget the full amount immediately (\$16 million); or somewhere in the middle that balances reflecting to the public the impacts of reduced service delivery while also trying not to impact the scale-ability of being able to bring back programs if the levy is successful the second time.
 - ✓ Jared Isaksen, Finance director, walked the board through a budget projection scenario slide titled "2 Year Cut Process" that reflects a 10% budget reduction the first year after an unsuccessful levy, followed by a 7.5% reduction the following year. This would delay the budget deficit for five years, until Fiscal Year 2029-30, when the deficit is projected to return and continue to grow from there.
 - ✓ Tya expressed support for the 10% / 7.5% 2 Year Cut Process described by Jared, noting that it would give voters the right amount of time to reassess how to vote on a future levy. She would like to better understand what programs may be impacted by budget reductions, noting that there are certain programs that the district provides that have safety implications, such as swimming lessons. When would the board have this conversation? General Manager Doug Menke referenced the examples of potential reduction areas provided within the board's informational materials for the retreat:
 - Holding and critically evaluating open positions for salary savings
 - Start with targeted reductions in park services on park maintenance issues
 - Evaluate closures of some facilities/amenities
 - Reductions in capital replacement budget
 - Targeted reductions in staffing by program or service area
 - Reductions in community events programming
- He noted that a more nuanced discussion would follow in the future, but that it would be helpful to have the board's initial reaction to this generalized list. Thomas added that the board's role is to govern and provide policy guidance to staff and cautioned the board against reviewing reductions on a program-by-program/position-by-position level.
- ✓ Felicita expressed support for the 10% / 7.5% 2 Year Cut Process.
 - ✓ President Moreno expressed support for the 10% / 7.5% 2 Year Cut Process as well and asked the board members for their thoughts on the potential reduction areas.
 - ✓ Miles expressed support for the 10% / 7.5% 2 Year Cut Process. Regarding the potential reduction areas, he does not want to see targeted reductions in staffing but would support holding positions open.
 - ✓ Barbie expressed support for the 10% / 7.5% 2 Year Cut Process. Regarding the potential reduction areas, she described the need to blend the district's values in the nuanced discussion that lies ahead, noting that each potential reduction area will have implications that will continue to cascade.

- ✓ Thomas observed that, as of this point, there appears to be a general consensus of support for the 10% / 7.5% 2 Year Cut Process. The board confirmed this consensus.
- ✓ President Moreno expressed agreement with Felicita's comments regarding maintenance safety concerns but trusts district staff would implement reductions in a thoughtful way.
- ✓ Thomas asked if Doug believes that it is likely that some combination of all of the reduction areas listed would be necessary in order to implement the 10% / 7.5% scenario. Doug confirmed this, noting that implementation becomes a much more nuanced discussion. The survey work of what is of value to the community needs to be taken into consideration, along with the fine balance of what programs and services can be reduced and then regenerated relatively easily. If the vote is close but unsuccessful, he would recommend that the district pursue another levy as soon as possible. The 10% / 7.5% scenario would keep the district fiscally responsible in the meantime.
- ✓ Thomas asked if it is accurate to say that reductions would need to encompass a combination of areas and that not one of the areas listed would be able to solve the problem. Doug confirmed this, noting that they will impact each other, as well.
- ✓ Tya would like to see future discussion regarding redirecting some of the district's pension funds should staffing reductions become more of a reality in order to retain positions.
- ✓ Holly summarized the board's comments received so far as: the importance around preserving staffing and that impacts to staff should be through attrition, not targeted reductions; protection of services that would be harder to scale up; and that reductions to park services don't cause safety concerns. She stated that knowing these concerns as well as the board's preference to move forward with the 10% / 7.5% scenario gives staff enough philosophical direction to continue their work. She suggested two positive take-aways for the board's consideration this evening: THPRD is preparing in advance for these fiscal challenges and is ahead of the curve; and that the public is satisfied with the services THPRD provides and wants to support us. The district has all of the necessary tools to run a great informational campaign to move forward and she encouraged the board to remain optimistic as we prepare for contingencies.

Agenda Item #5 – Board Focus Topics

Thomas Bruner introduced the next discussion topic by noting that in the past, the board has had a strong focus on a variety of areas, including: affordable housing, strengthening working relationships with area elected officials, and championing DEIA. He challenged the board to strategically limit their number of focus areas to three in order to have the greatest impact possible and asked if there were any new areas of focus that the board would like to consider as a collective group moving forward. Possibilities for consideration include:

- Land advocacy / preservation / acquisition
- Climate change / resiliency
- Annexation / governance / long-term planning in urban unincorporated and island areas
- Other?

Thomas invited board discussion, noting that the conversation this evening is intended to be exploratory and forward-thinking. Discussion highlights included the following:

- Thinking more about climate change in relation to the district's affordable housing and DEIA efforts. A lot of the effects of climate change are impacting communities of color, immigrant communities, and those who use affordable housing. As extreme weather becomes more common, what is the district doing to support systems that keep shelter more affordable for our community members? There may not be a lot that the district can mandate, but how can we advocate?
- Continuing to strengthen relationships with other elected leaders, which benefits the district short-and long-term, both in terms of advocacy efforts and securing funding, including continued resources for our lobbyists.

- Further consideration of the district’s surplus land and the opportunities that it might present, from selling to partnering with another agency or affordable housing. The ability to think creatively as to how to leverage the opportunity. Continued consideration of public-private partnership opportunities.
- A deeper look at disability justice.
- The work being done around recognizing our indigenous communities. While land acknowledgements and proclamations are great, they mean little without action. Continuing the work of remembering that the spaces we use were once stolen and thinking about this when programming, designing new spaces, or renovating old spaces.
- Thinking more about climate change as a major focus in terms of how we conduct ourselves as a parks and recreation agency. From land acquisition, to plantings, to how our recreation centers handle hot days. Ensuring that we are as good stewards as possible in doing our part to reduce the temperature of the planet. Considerations for more accessible water and shade. Continue to explore the concept of four seasons parks.
- More actionable work around the district’s DEIA efforts, including measurable results.
- The district’s affordable housing efforts, including system development charge waivers, are established and continue to move forward. The district continues to be open to new partnerships that may arise.
- Emphasis on placemaking at our sites. Including a visual story that is communicated to the public as they walk into a site that grounds the history and culture of the place.
- Exploring opportunities for diversifying revenue streams, including working more closely with the Tualatin Hills Park Foundation. More involvement in private funding opportunities and exploring sponsorships that match our values.
- A deeper look into how we develop community spaces and parks for different cultures and ages; spaces that bring people together in a welcoming way, while also providing variety. Taking into consideration our visioning work, while also pushing ourselves to be different.
- Early childhood development programming.

After discussion concluded, Thomas recapped an emerging consensus as follows: affordable housing would remain an interest, though not an area of active pursuit; continuing to build relationships with elected leaders would remain an ongoing need; championing DEIA would remain a priority with added considerations around measurable results as well as an indigenous focus added; significant interest in climate change and resiliency; and more education and discussion around land advocacy and surplus land considerations. Thomas invited the board to continue considering other potential areas of focus not listed, knowing that ideally the final list will be limited to three areas. He noted that this conversation starts, but doesn’t end, this evening.

- ✓ General Manager Doug Menke will work with President Moreno to continue the discussion and bring additional information back to the board for consideration.

Thomas closed the retreat by observing that, coming from a standpoint of having worked with many other agencies, both the board and staff are lucky to have each other and that nothing but good can come from this board and staff working together.

Agenda Item #6 – Adjourn

There being no further business, the retreat was adjourned at 7:20 pm.

Alfredo Moreno, President

Barbie Minor, Secretary

Recording Secretary,
Jessica Collins