

ARC: Board Meeting Minutes

12/07/2016, 6:30p-8:30p, 100 Dexter, Parks Board Room

Board Members: Jonathan Hartung (President), Vic Roberson (VP), Frana Milan (Secretary), Chris Copacino, Terry Holme, and Dennis Cook. **Staff:** Bill Keller, Christina Arcidy, Rachel Sorrels. **Parks & Recreation:** Katie Gray. **Visitors:** None.

EXCUSED ABSENCE: Bernardo Ruiz, Trang Hoang and David Towne.

Minutes:

WHEN	TOPIC	MINUTES
6:36	<p>Welcome & Introductions</p> <p>Consent Agenda</p> <ul style="list-style-type: none"> Determination of Quorum (5 of 9 members) Approval of Agenda Approval of Minutes <p>Review goals for today:</p> <ul style="list-style-type: none"> Review draft 2017 ARC Budget. 	<ul style="list-style-type: none"> Vic moved to approve Agenda, Dennis second. Agenda approved. Vic moved to approve October & November minutes, Frana second. October & November minutes approved. Reviewed goals for the day.
6:38	Public Comment	<ul style="list-style-type: none"> No public comment
6:38	2017 ARC Budget (Christina)	<ul style="list-style-type: none"> Bill: This is an uncharacteristic budget process for the organization that has occurred only a couple of times before-minimum wage creates a challenge for staying relevant. Partnership- requested to expand reimbursable support for spaces to be open during (non-public hours) program hours. Review SWOT analysis-what management used to create the following budget recommendations: <ul style="list-style-type: none"> Raise minimum wage to \$15.50/hour beginning January 1, 2017 at additional expense of \$500,000 Restructure HR department to focus on recruitment and training Estimate expense of software, but hold off on implementation Not budget for Carkeek Park preschool past summer 2017 Collecting revenue at a 12% increase over this time last year HR \$324,445 net increase over 2016 and operations \$376,173 net increase over 2016 Not Anticipating SAC growing No new CIPs-just carry over for projects at Ravenna-Eckstein If we go to a competitive minimum wage, we have a net loss just over \$1M

- Recapture Strategy-either 8%, 10% or 12% Class Fee increase
- Jonathan Q: With the 3% payroll increase we are still falling short? Bill A: 5-year history our actuals have exceeded budgeted. Jonathan Q: So you are conservative with the budget? Christina A: yes.
- Bill: Fee pricing- we are no longer the cheapest option, but mid-range.
- Frana Q: would these Class Fee percentage increases be every year for these years (2017-2020)? Bill A: Yes.
- For 2017 we are increasing summer day camp by 8%.
- Katie: Increasing fees, but upping the scholarships as well.
- Vic: Potentially pricing people out even with scholarships. Katie: We may be pricing ourselves out of the market for some recreation programs. Bill: we want to serve, and the new budget tool will help us with pricing.
- Katie: Staff and Advisory Councils are probably very conservative on expected revenue to collect. Budget tool will help more accurately predict how much revenue will be collected from programs.
- 208 additional public hours in 2017; 83 hours (40%) supported by ARC.
- Jonathan: one of our follow-up questions was: how do we predict better?
- Bill: we have a real challenge with employment to be competitive.
- Currently we don't have the metrics, but we are working on collecting data, SPR and ARC in partnership are working on that for City Council.
- Vic Q: Impact of fee increase, will that be across the board at all sites? Katie: it goes back to scholarships and the budgeting tool. Bill: we have an option to begin subsidizing classes.
- Terry: Need to present our picture to City Council-what they want to hear in the form they want to hear it in. How do we best do that?
- Jonathan: I strongly proposal the board approve the budget. I ask that Bill and Christina report a clearer picture to the board in the future on whether the recovery plan is actually working-Revenue vs. Expense.
- Frana Q: are we voting on one of these fee increases as part of the budget? Christina A: We make the recommendation to SPR. Bill: all fee increases are approved by the department.
- Terry Q: What has been the past track record of recommendation of fee increases, and SPR approving them? Christina A: Usually in much more detail and exercises, takes time to do this work, when we do it together and we have the data to back it up, it's usually approved. Katie: I don't think there has been a time when we have said no. Need to be more consistent with all programs moving forward.
- Vic Q: what will be the reserve after this? Bill: \$6,500,000 Fund Balance currently-min acceptable reserve is \$5.2M. In this case we have a Fund Balance cushion needed to make this investment. We are up \$1.7M over this time last year, 12% increase over last year, tracks with about 11% increase every year for the last 5 years. Still have \$700K margin.
- Really need advocacy effort in front of City Council. Part of recruiting for new Board members.
- Frana Q: is this SPR budget for two years, and so the hour coverage is for two years? Katie A: Yes.

		<ul style="list-style-type: none"> • Vic Q: How big is the threat of losing childcare space? Christina A: we are proceeding cautiously but optimistically. Looking to improve our licensed programs. We have to be as competitive as possible by improving quality of standards, and actually apply for the RFI. • Make pricing changes quarterly, but can only make those changes six months out. For 2017 we don't get the benefit of the full 12 months of the fee increase. • Jonathan: we are being asked to vote on the budget with either the required minimum wage increase or competitive wage increase. • Dennis: we need to be sure to give our participants plenty of notice that there will be fee increases. • Katie: what we hope is the scholarship program will help cover the gap. • Jonathan called for motion to approve the budget with the wage increase proposal. Vic moved to approve with the competitive wage proposal with a net loss of \$1076,240. Frana second. Motion passed.
7:51	Director Report <ul style="list-style-type: none"> • 2017 ARC Board Calendar 	<ul style="list-style-type: none"> • We are up \$1.7.M over this time last year-12.4% increase • Currently trying to hire for 85 total staff. We even have Field Supervisors working in ratio. • Shared some of the Denny Award winners with the Board • 2017 AGM will be at the Northwest African American Museum-3/1/17 • Dennis Q: have you ever considered having the Board Meetings at other locations? Bill A: used to meet at different community centers, but by request of the Board, now meet only at Dexter. Can consider changing. • Will do a budget memo for the Advisory Councils.
8:00	Review Assignments & Adjourn	Jonathan Hartung called for a motion to adjourn, Vic moved and Dennis second. Motion was approved. Meeting adjourned at 8:01pm.