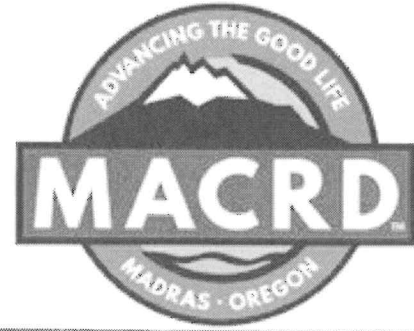


Board of Directors Special Meeting

Thursday, January 4, 2024 at 6:00pm

Madras Aquatic Center
1195 SE Kemper Way
Madras, Oregon 97741



Board members present:

Chair Deanna Seibold, Vice Chair Lindsay Foster-Drago, Secretary/Treasurer Jean McCloskey, and Board member Jinnell Lewis were present in person. Board member Jillisa Suppah attended via zoom.

Staff Members present:

Courtney Snead, Executive Director, and Shawna Hicks, Recreation Director, attended in person.

Visitors:

Toni Brown, Terry Caldwell, Star Todd, Martin Bocovich, Janette Schlarb, Anita Goodwin, and Mike Price attended in person. Kurt H, J Smith, Home 2, and iPhone 100 attended via zoom.

WORK SESSION, 6:00pm

1. Chair Seibold convened the work session at 4:40pm.

Board Secretary/Treasurer McCloskey made a motion to amend the agenda to add a new #3, Public Comment, in light of the high community attendance. Vice Chair Foster Drago seconded. The motion passed 5-0.

2. Discuss May 2024 election plans
 - a. Debrief public meetings with City of Metolius and Jefferson County Commission
 - b. Discuss possible election measures
 - c. Review financial analysis of MAC operations and MACRD programming

Executive director Snead reviewed the presentation that has been, and will continue to be provided, as the district visits local cities, Jefferson County, service clubs, and other partners around the district.

Executive director Snead, Chair Seibold and Secretary/Treasurer McCloskey shared that they attended the Metolius City Council meeting presentation, and the Council felt they did not have sufficient time to evaluate the resolution to approve the formation of the proposed new MAC Recreation District, and the Council did not take action. Chair Seibold contacted the Mayor and requested they consider holding a special meeting before January 9 to consider the resolution, and the analysis of property tax assessment/compression impacts will be provided to them this evening, as the MACRD received them from the County late this afternoon.

Executive director Snead asked the Board if the timeline for the May 2024 election does not pan out, does the board want staff to immediately start working on placing the measure on the November 2024 ballot. The board had unanimous consensus that staff should move forward with placement on the November 2024 ballot.

Executive director Snead reviewed a summary of programs and services, included in the board packet, offered by the MACRD and the level of subsidy needed for each program. It included an analysis of the cost of operating the pool and recommendations for reductions in pool hours and programming availability, with the goal of reducing expenses so funds are available for capital/maintenance needs. Board members asked follow-up questions regarding the costs included in the programs, and staff reviewed an example program wrap-up.

Vice Chair Foster-Drago asked if staff could include each program wrap up work sheet at the January 24 board work session, including the percent of profit/loss on each program relative to revenue. The board had consensus for the information to be provided.

Executive director Snead noted that various meetings in the coming weeks with the City of Madras and Jefferson County Commission have been publicly noticed as a potential quorum of the board being in the same location for those meetings.

3. Public comment

Executive director read chat comments into the record for public comment. The first, from Kurt H, said "Why isn't the pool closed if it isn't profitable? Every few years you come back to the voters begging for more and more money".

Executive director Snead noted that it is not meant to be profitable, as it is a public service. The initial tax rate was insufficient to support the organization, nor has it been run over the last 17 years in a way that was

sufficient to plan for the future. Board member Lewis responded to the comment, stating that most recreation districts establish their land-based recreation programs first and then build a pool once it is established.

Star Todd addressed the board and said she wants the pool to operate. There has been frustration about not being able to use it. She feels good will has not been created, citing the lap pool closure and a lack of ability to use it every time she tries. She said she used to have a family membership, but now it is too expensive, and requested that the board consider adopting a family membership. She noted that she wants to learn more about compression.

Michael Price said he is retired, uses the pool early in the morning, and doesn't see a lot of young people using it. He encouraged the board to entice people to use the pool by allowing them to use it at a lower rate to start out, hoping to get them hooked and start using it regularly. When elections in the past use the impact of less service if a measure fails, it makes him want to vote no. Instead, focus on what will happen when it passes. He said he would be happy to help promote the measure and the plan for the district.

Janette Schlarb asked if it would be possible to reduce the rates to get more people in the pool and more memberships and revenue.

Secretary/Treasurer McCloskey responded that it is a vicious cycle; lower the rates for more people to come, limited staff and resources to pay them so we have to turn people away; it's a fine line. We knew in the first year on the pool being open that it wasn't enough to support the pool, and businesses bailed out the district to help keep it open. The district was not set up to be sustainable from day one.

Vice Chair Foster Drago said that the pool should have closed many times over the last fifteen years, but due to financial support from local businesses and families at crucial moments it has been bailed out and remained open. She noted that the facility is just going to keep aging, and the costs go up exponentially, resulting at it going under at some point unless something changes. Since she started on the board, and specifically over the last two years, she has watched revenues and participation numbers grow a lot, but it is not, and will never be enough, to cover the cost of the pool.

Toni Brown asked if the proposed rate for the new district would be enough to sustain the district over time.

Executive director Snead shared that the proforma/business plan developed by BRS Consultants used conservative numbers in its analysis, including 4% of revenue for capital/maintenance annually, which is industry best practice. The gap of \$1.6M in funding needed to meet the needs of the business plan should be sufficient for the district to operate into the future, barring any unforeseen impacts that can't be predicted outside of our control.

Secretary/Treasurer McCloskey said to the earlier question about why the district keeps coming back to voters for funding, it is how the State of Oregon has designed property tax system in Oregon. Measures passed in the late 90s fixed permanent rates for taxing districts, so their only option for funding to pay for new/expanded services is local option levies that need to be voted on every 5-years.

Martin Bocovich said that the MAC is a great facility, and he swims 2-3 times a week. He loves the facility, and has a membership for himself and a punch card for visiting family members on his account. He is in favor of restructuring. At 15-20 years points in any facility costs go up exponentially. He asked if the proposed funding is enough to sustain the district for 5 years, 20 years, and have enough left to address capital and maintenance issues like refinishing the siding, replacing the roof, and other requirements for aging buildings. He hopes the facility stays open because it is part of why he moved here, in proximity to the pool.

Terry Caldwell asked if it would be a bad thing if the pool shut down.

Vice Chair Foster Drago said she has been thinking about that very thing. She noted that as pools age the cost of operating it grows exponentially and she has been worried about the sustainability of the district since she joined the board. The pool will go under at some point unless there are significant changes to its funding structure.

Michael Price asked if the school district uses the pool and if so, if they pay for the usage.

Executive director Snead shared that the school district and MACRD had an intergovernmental agreement that is reviewed annually where they pay for MHS swim team practices and swim meets, as well as second grade-band swim lessons for their students. The current deposit is \$30,000/year for those services. In addition, when classes hold end of year and reward swim parties for students they also pay to rent the facility.

4. Consider approving up to \$39,500 to replace the domestic water heater/boiler and give the executive director authority to enter into a contract for the project.

Board member Lewis asked if staff was recommending the higher quote and why.

Executive director Snead explained that she is waiting for one more quote but would like to move on approving a quote and getting the part ordered before the next board meeting, as the equipment is 4-6 weeks out and the existing system is on it's last leg. She noted that she would reach out to a couple partners who can help better evaluate the quotes for their responsiveness before making a final decision on who to award for the work.

Vice Chair Foster Drago moved to approve up to \$39,500 to replace the domestic water heater/boiler and give the executive director authority to enter into a contract for the project. Board member Lewis seconded. The motion passed 5-0.

4. Adjourn

Board Chair Seibold thanked everyone for attending the meeting and adjourned the business meeting at 5:52pm.

Respectfully submitted,  1/24/24
Courtney Snead, Executive Director Date

 1/24/24
Deanna Seibold, Board Chair Date