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Clackamas County
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CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Sitting/Acting as North Clackamas Parks and Recreation District Board of Directors

Policy Session Worksheet

Presentation Date: June 2, 2026 **Approx. Start Time:** 3:00 p.m. **Approx. Length:** 1 hour

Presentation Title: Financial Health of NCPRD and Financial Outcomes of Milwaukie IGAs

Department: NCPRD Administration

Presenter: Kia Selley, NCPRD Director and Jeff Munns, Sr. Assistant County Counsel

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

This is an informational session. Staff will provide a briefing on the financial health of NCPRD and the financial outcomes of the proposed Intergovernmental Agreements with the City of Milwaukie.

EXECUTIVE SUMMARY:

Financial Context

The North Clackamas Parks and Recreation District (“District”) was formed in 1990 by voters. Over half of the District’s General Fund revenue is from a fixed, permanent tax rate of \$0.5382 per \$1,000 of assessed value; the District does not receive County General Funds. This rate has not increased since the District was formed. Revenues are not keeping pace with expenses due to inflation.

Significant budget reductions of \$1.3 million were required for the current fiscal year budget and an additional \$400,000 in budget reductions are proposed in the fiscal year 2026-27 budget. If additional revenue is not identified, budget reductions will be required on an ongoing basis with a fiscal cliff forecasted in fiscal year 2031-32 based on the five-year Financial Forecast (**Attachment A**). At the fiscal cliff, NCPRD resources will be severely constrained potentially resulting in program elimination, facility closures, and reduced or eliminated maintenance district-wide. **Attachment B** demonstrates the impacts on general fund beginning fund balance if budget reductions are implemented versus continued spending at current service levels. NCPRD staff are currently working with the Trust for Public Land to identify the right time to present a 5-year local option levy to district voters. Support from the City of Milwaukie for a local option levy to fund district operations will be essential to the levy’s passage. This work will be further discussed with the community and the NCPRD Board in June.

City of Milwaukie Intergovernmental Agreements

In January 2025, the NCPRD Board agreed to enter into negotiations with the city of Milwaukie for an Intergovernmental Agreement (IGA) to fund the construction of Milwaukie Bay Park and an amendment to the current Cooperative IGA that governs operations and maintenance of parks, natural areas, trails and facilities in Milwaukie. In April, the Milwaukie City Council approved the IGAs by resolution granting signature authority to the City Manager. NCPRD staff understand that the resolution provides the Milwaukie City Manager with the authority to approve language modifications as long as significant areas of agreement remain unchanged. Key terms of the IGAs are outlined in **Attachment C** along with estimated financial impacts to the District.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? \$0. What is the funding source? N/A

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals?
 - N/A

- How does this item align with the County’s Performance Clackamas goals?
 1. Safe, Secure and Livable Communities
 2. Vibrant Economy
 3. Public Trust in Good Government
 4. Healthy People
 5. Strong Infrastructure

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

N/A

OPTIONS:

N/A – this is an informational session only

RECOMMENDATION:

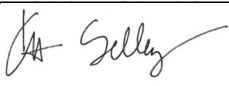
N/A

ATTACHMENTS:

- A. NCPRD Financial Forecast
- B. NCPRD General Fund Beginning Fund Balance Comparison
- C. Key Terms – Cooperative IGA (amendment #2) & Milwaukie Bay Park Construction Funding IGA

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval  _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Kia Selley @ 971-337-6867

Attachment A: NCPRD Financial Forecast

NCPRD General Fund Forecast FY 26-27 through FY 31-32

	Actuals FY 23-24	Actuals FY 24-25	Adopted FY 25-26	YE Projected FY 25-26	Projected FY 26-27	Projected FY 27-28	Projected FY 28-29	Projected FY 29-30	Projected FY 30-31	Projected FY 31-32
Beginning Fund Balance	14,899,100	15,439,037	8,338,694	8,934,824	9,026,539	8,612,499	7,962,076	7,037,768	5,795,996	4,404,625
Taxes	7,087,992	7,322,188	7,570,000	7,570,000	7,797,100	8,031,013	8,271,943	8,520,102	8,775,705	9,038,976
Federal, State, Local, All Other Gifts & Donations	505,897	268,480	243,700	247,763	250,241	252,743	255,270	257,823	260,401	263,005
Charges, Fees, License, Permits	2,797,832	2,722,156	2,886,733	2,666,213	2,746,199	2,842,316	2,941,797	3,030,051	3,120,953	3,214,581
All Other Revenue Resources	1,229,160	1,121,603	737,728	750,670	475,698	490,946	466,393	430,900	382,723	328,577
Transfer in	17,979	16,446	145,569	94,942	99,689	104,674	109,907	115,403	118,865	122,431
Operating Revenue	11,638,860	11,450,873	11,583,730	11,329,588	11,368,927	11,721,692	12,045,312	12,354,279	12,658,647	12,967,570
% Change from prior year	N/A	-2%	1%	-2%	0%	3%	3%	3%	2%	2%
Personnel Services*	7,497,741	7,945,023	7,713,538	7,394,038	7,763,740	8,151,927	8,559,523	8,987,499	9,257,124	9,534,838
Materials and Services	3,176,800	3,075,986	3,987,045	3,827,835	4,019,227	4,220,188	4,410,097	4,608,551	4,792,893	4,984,609
Transfer Out	424,381	6,934,077	10,500	16,000	-	-	-	-	-	-
Operating Expense	11,098,922	17,955,086	11,711,083	11,237,873	11,782,967	12,372,115	12,969,620	13,596,050	14,050,017	14,519,447
% Change from prior year	N/A	62%	-35%	-4%	5%	5%	5%	5%	3%	3%
Net Operating Income (Loss)	539,938	(6,504,213)	(127,353)	91,715	(414,040)	(650,423)	(924,308)	(1,241,772)	(1,391,371)	(1,551,876)
Ending Fund Balance	15,439,038	8,934,824	8,211,340	9,026,539	8,612,499	7,962,076	7,037,768	5,795,996	4,404,625	2,852,749
Contingency	-	-	2,000,000	-	1,178,297	1,237,211	1,296,962	1,359,605	1,405,002	1,451,945
Reserves	-	-	6,211,341	-	7,434,202	6,724,864	5,740,806	4,436,391	2,999,623	1,400,804
Unappropriated Ending Fund Balance	15,439,038	8,934,824	-	9,026,539	-	-	-	-	-	-

Assumptions:

- ~Taxes - Property assessed value growth 3%
- ~Contributions & Donation growth: 1%
- ~Fees & Charges growth: FY 26-27 3%, Yr 2-3: 3.5%, Yr 4+: 3%
- ~CPI growth: Yr 1 2: 5.0%, Yr 3 4: 4.5%, and Yr 5: 4.0%
- ~Contract Employees: Yr 1 4: 5.0% and 3% forward
- ~Contingency is minimum 5% of Operating Expense per policy - FY 25-26 Budget is roughly 17%; Yr: 1-5+ 10%

*NCPRD staff are contracted through Clackamas County and are accounted for in Materials & Services. For the purposes of this forecast, staff costs are shown under Personnel Services.

Other Notes:

- ~Decrease in All Other Revenue between FY 24-25 Actuals and FY 25-26 YE Projected Budget is the loss in interest from a lower fund balance.
- ~Transfer In aligns with Transfers Out under the SDCs for staff time spent on SDC eligible projects
- ~The park, playground, and phase I community center improvements located at the Concord property are covered by SDCs from each zone since the property amenities are considered a district-wide asset. The rate in which the project can be covered by SDCs is 53.5%. The share of SDCs to be used on Concord will be 45% in an effort to conserve use of SDCs for other projects. The share of SDCs to be used is computed after sale proceeds and awarded grants have been subtracted.

FY 25-26 Adopted Budget - Transfer Out for \$10,500 detail:

\$4,500 System Plan

\$6,000 Trails Master Plan

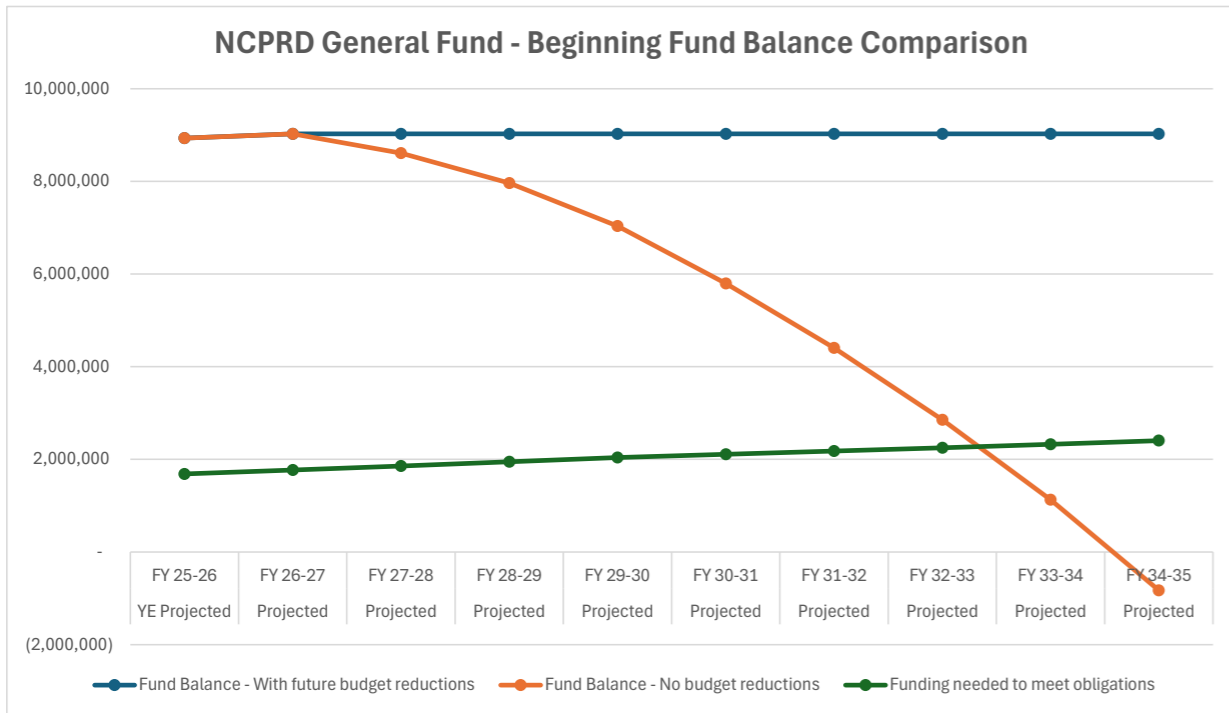
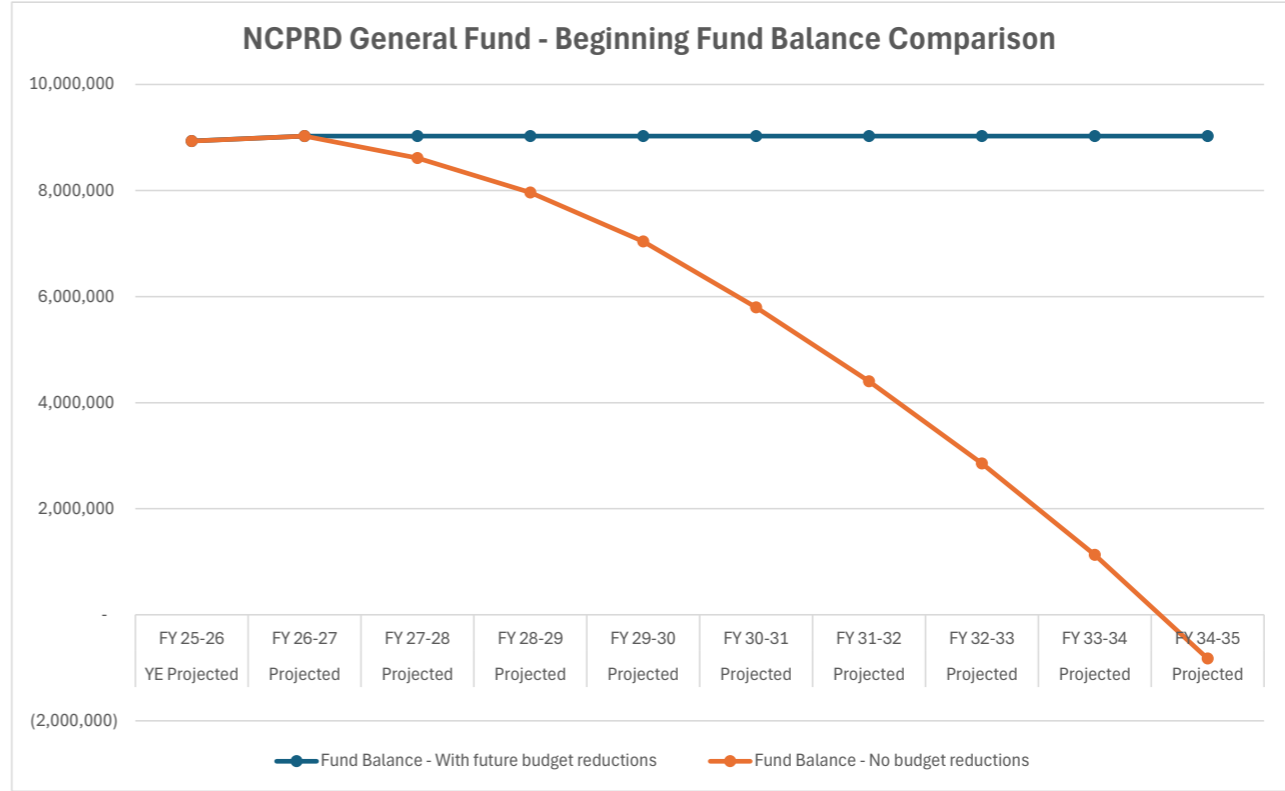
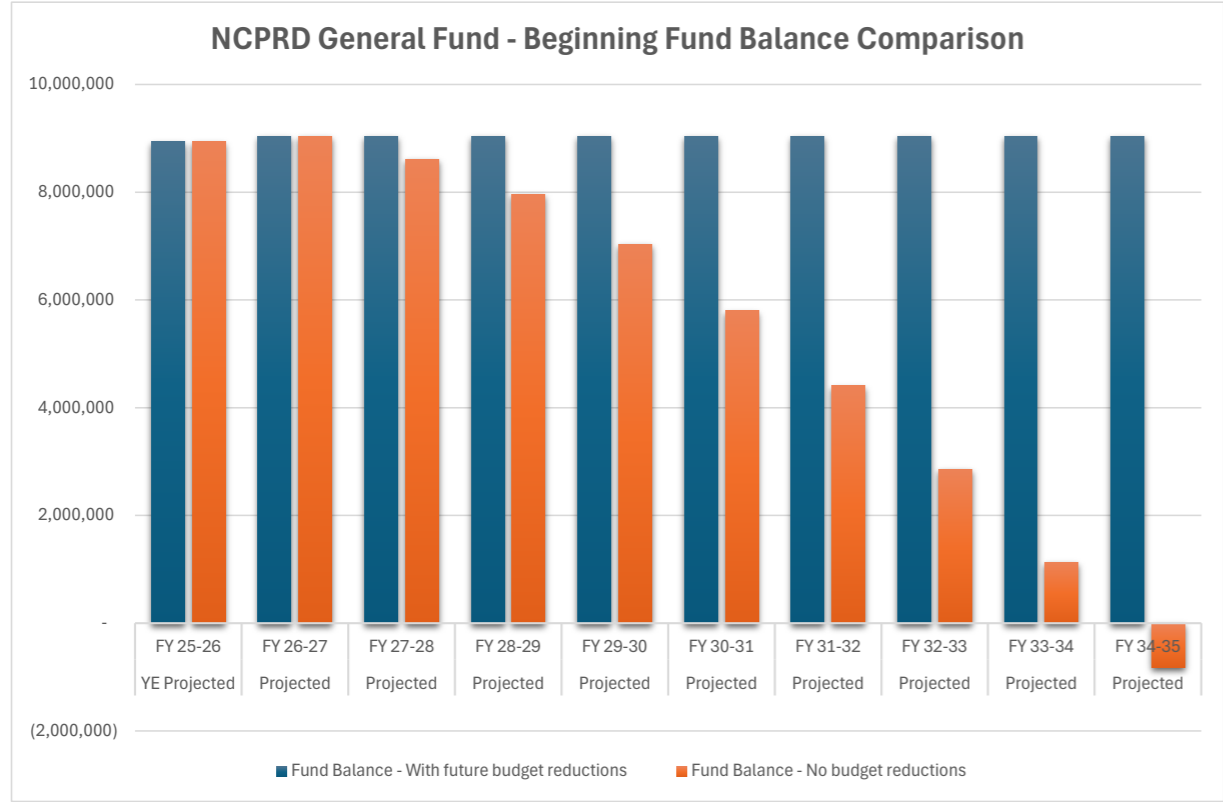
~Major changes in between the FY 25-26 Adopted and Year-End Projection columns include:

Actual beginning fund balance came in higher than anticipated due to revenues coming in higher and expenditures coming in lower than expected.

The delayed opening of the Concord Community Center resulted in cancelled programming, directly affecting revenue and related expenses.

Attachment B - General Fund Beginning Fund Balance Comparison

	YE Projected FY 25-26	Projected FY 26-27	Projected FY 27-28	Projected FY 28-29	Projected FY 29-30	Projected FY 30-31	Projected FY 31-32	Projected FY 32-33	Projected FY 33-34	Projected FY 34-35
Fund Balance - With future budget reductions	8,934,824	9,026,539	9,026,539	9,026,539	9,026,539	9,026,539	9,026,539	9,026,539	9,026,539	9,026,539
Fund Balance - No budget reductions	8,934,824	9,026,539	8,612,499	7,962,076	7,037,768	5,795,996	4,404,625	2,852,749	1,128,802	(826,167)
Funding needed to meet obligations	1,685,681	1,767,445	1,855,817	1,945,443	2,039,408	2,107,503	2,177,917	2,250,731	2,326,029	2,403,897



Attachment C: Key Terms – Cooperative IGA (Amendment #2) & Milwaukie Bay Park Construction Funding IGA

Cooperative IGA (Amendment #2)

Capital Improvements, Repair and Replacement for developed parks, natural areas, trails and greenways

- Milwaukie shall pay depreciated value of District investment if Milwaukie withdraws from District and if a Milwaukie park is removed from District operation and management.
- Milwaukie may construct new parks or make improvements to existing Milwaukie parks at own expense unless agreed upon in advance by NCPRD.
- Milwaukie shall receive District approval for park improvements or be liable for changes or operations and maintenance.

Capital Improvements, Repairs and Replacements at Milwaukie Community Center

- Milwaukie shall be responsible for funding capital improvements, repairs and replacements.
- NCPRD shall be responsible for programming, operations, and maintenance.

Special Use Permit Fees

- NCPRD Director shall request NCPRD Board approval to waive indirect fees (such as administrative and processing fees) for government and non-profit partner events at parks that are free and open to the public. Estimated annual financial impact to District is up to \$3,000.

Utilities and Fees (*terms still under negotiation with city of Milwaukie*)

- NCPRD shall pay for utilities at parks and Milwaukie Community Center but not fees added to utilities to fund other city services.
- Milwaukie shall provide NCPRD with credit valued at approximately \$24,000 to reimburse District for fees paid with utilities in 2025.
- Milwaukie shall modify code language eliminating stormwater charges for parks with parking lots but requiring major improvements to existing parks and new parks to manage stormwater on-site.

Milwaukie Bay Park Ph. III Funding IGA

Capital Improvement Funding

- NCPRD shall provide Milwaukie \$901,677 of Metro Local Share grant funding (equal to 20% of NCPRD total Metro Local Share allocation).
- NCPRD shall reassign Metro grant to Milwaukie totaling \$658,027.
- NCPRD shall provide Milwaukie with up to \$3.3 million* of System Development Charge Funds *\$3.1 million is currently available and the remainder of the funds are forecasted for collection.
- Milwaukie shall be responsible for securing remaining capital improvement funds needed for construction.

Construction

- Milwaukie shall be responsible for construction of Milwaukie Bay Park Ph. III.
- Milwaukie shall start construction within 24 months of IGA execution.

Operations and Maintenance

- Milwaukie shall be responsible for operations and maintenance of Milwaukie Bay Park upon commencement of construction or 24 months from IGA execution, whichever is sooner. Estimated financial impact to District of 24-months of additional operations and maintenance is approximately \$130,000.

Programming

- Milwaukie shall be responsible for park programming upon commencement of construction or 24 months from IGA execution, whichever is sooner.