

**Bend Metro Park & Recreation District
Board of Directors
Work Session & Regular Meeting
March 18, 2008**

BOARD PRESENT: Ruth Williamson, Bob Woodward, George Thayer, Scott Wallace and Ted Schoenborn.

STAFF PRESENT: Don Horton, Wayne Smith, Bruce Ronning, Theresa Albert, Jan Taylor, Erin Bennett, Ed Moore, Lindsey Lombard, Dave Crowther, Norm Ziesmer, Pat Erwert, Jeff Newman, Andie Lindgren, Russ Holliday and Paula Lowery.

LEGAL COUNSEL: Mark Reinecke.

MEDIA: Yoko Minoura and Erik Lukens, The Bulletin.

Visitors: See attached list.

WORK SESSION

Chair Ruth Williamson convened the work session at 5:30 pm.

Water rights evaluation

Bob Main, water rights consultant, addressed the board. Bob reviewed his background with the State of Oregon Water Resources Department as watermaster. He explained watermaster duties includes measuring water, regulating the division of water among the users, keeps water right records and is involved in planning. He stated that since 2001 he has done part time consulting in water issues. He referred to a water rights primer provided for the board. He explained a water right is a right to use a portion of the public waters of the state for a specific use in a specific place, and a water right has conditions that must be met. He reviewed those conditions and explained that water rights are attached to land except for municipal water rights use. Bob explained how water rights can be transferred and sold. He also explained that a water right or any portion of a water right that goes unused for five successive years is presumed to be abandoned and can be cancelled through an administrative proceeding which can be appealed through the courts. He explained "in-stream" use implemented through legislation and explained it is a recognized use of the water right that is not affected by the five-year "clock" placed on water use. Bob reviewed each of the district's water rights and shared the rough estimate of cost he had calculated for irrigating with city water, Avion water and from the district's water rights. He shared several recommendations regarding the district's water rights including preserving and retaining water rights; all water rights should be in use or leased in stream every year; build a pool of water rights for future park needs; and use GIS technology to map the irrigation needs of every park. He also made recommendations regarding use of the water rights of specific parks with regard to use of the water for irrigation, transfer to other district parks or in stream leasing. Don Horton explained the importance of this information to the district as it will affect how the district continues to irrigate parks and whether it is prudent to acquire additional water rights. He stated that Bob has provided a menu of ideas for more efficient use of the district's water rights.

Park Steward Update

Ed Moore and Erin Bennett addressed the board. Ed referred to the information provided in the board report and reviewed the staff recommendations including changing the title of the position from Park Steward to Park Ranger, changes to the uniform, authorization to carry a police radio and use pepper

spray and approval of an intergovernmental agreement with the city of Bend enacting citation authority. He noted that the district rules and regulations as provide by Ordinance No. 7, have been updated and will now be reviewed by district legal counsel. Bob Woodward asked if a change in the uniform would make the park steward more of a target of miscreants or would it deter problems. Erin Bennett stated it depends on the situation and the upgrades that are being proposed will provide her with tools and resources she currently doesn't have which she feels will keep her safer overall. Ruth Williamson stated Erin has been patient with this process while the district has determined what kind of presence is needed in the parks. She stated that Erin has gathered some facts and information to work with to help make decisions about the park steward program. Ted Schoenborn stated he was very skeptical of the process in the beginning because of the conflicting role of enforcement and recreation. He stated he believes he has been proven wrong and Erin has done a great job of mediating the two conflicting issues. Erin referred to a portable kiosk that is being constructed for her use in the parks this summer. She stressed that education of park users and providing river safety information will be a big part of her work. Bob Woodward asked if Sheriff Blanton had been contacted regarding the park steward program. Don Horton stated that he had talked to the sheriff recently and he is very comfortable with what the district is doing with the city of Bend and he is interested in adopting the same rules and regulations once the logistics have been worked out with the city. He stated there are still a number of challenges in implementing the changes to the program including the enforcement of the rules and regulations.

Pine Nursery

Ruth Williamson stated there have been a frustrating series of articles and editorials regarding the Pine Nursery and the board's deliberations. She stated tonight is the first time the board has had an opportunity to consider any alternative funding mechanisms for the project outside of SDC funding that was initially designated for Phase I. She stated she believes the discussion the board has tonight will provide a better picture of how the board and staff processes information and reaches decisions. She stated the article printed in Saturday's Bulletin represented that she had an opinion outside of the board's discussion and that is not the case, and she completely supports our process as a board and the way that we arrive at decisions. She stated that she honors that we speak as one voice, and she felt that her comments were taken out of context. Ruth stated that if the board comes up with any creative funding strategies to bring about some response to what the community is telling us, which is that they have been waiting for a long time for the Pine Nursery to be developed and they would like us to reach a little bit further, it is because of the fiscal conservatism of Lindsey Lombard. She stated that if we didn't have any margin to work in there would be no discussion. Ruth stated that she did not want to make a knee jerk response to a misperception in the community that isn't based on truth and she wants to recognize that staff has been extremely responsive to that and willing to recognize that perhaps we can get more creative and maybe we can meet both the needs of the district office and the Pine Nursery and not derail all of the other priority projects the district has on its plate. She stated she wants all of the questions answered and for the board to understand fully the implications of our choices. She added that she would like to give staff the direction they need to move forward because in the community's interest we would like to know what we are going to be doing at the Pine Nursery in the near term.

Don Horton stated that one of the reasons we have not had the opportunity to discuss alternative funding sources is that we need to know where we are in the budget for the upcoming year before we can make any solid decisions. He noted that an application for an Oregon Department of Parks and Recreation grant has to be done by April 4 and the board's decision tonight is very important in order to be able to take advantage of the opportunity we have to apply for a grant. He explained that he has asked Lindsey to work with the department heads to get a good idea of where we are in the budget process for the upcoming year. He stated staff would be presenting information regarding long-term implications and the

options of borrowing some money. He added he thinks the project will require a combination of several funding sources.

Ted Schoenborn stated that during the NRPA Legislative Forum held last week in Washington, D.C., he and Don met with Congressman Walden during which the Pine Nursery was discussed. He stated the congressman asked how he could help and they suggested an earmark in the amount of \$8.5M for Phase I. Ted stated Congressman Walden expressed support for submitting an earmark for the project.

Ruth stated this has always been a priority project for the district. She stated the identified funding for the project diminished significantly, but we have never backed away from looking at all possibilities for funding outside of SDC revenue. She stated we are going to explore resources at hand and if we can complement those or reduce the direct contribution of the district with federal dollars that would be fabulous, too.

Don stated the staff presentation tonight assumes the district will not receive any money from an earmark. He stated the staff presentation covers what we feel we can go forward with, with the resources that we know we have available.

Bruce Ronning noted the staff contribution from Lindsey Lombard, Russ Holliday, Pat Erwert and Norm Ziesmer to the report. He referred to previous extensive board discussions regarding the phasing and funding of the Pine Nursery beginning in January 2007, and subsequent budget discussions. He noted the information provided in September 2007 regarding the SDC fund performance at a lower amount than estimated in the 2007-08 budget. He referred to information presented in January 2008 with regard to what staff thought could be achieved on the project given the \$3.1M budgeted in 2007-08 knowing the additional \$5.5M in SDC funding would not likely be available in the coming fiscal year. Bruce stated that upon further discussion staff has developed some phasing options that could be fundable and allow the district to move forward with a more substantial Phase I including sport field development. He referred to the adopted Capital Improvement Plan last adopted on June 19, 2007. He noted projects totaling approximately \$4.1M that have been on the plan for a number of years as anticipated funding needed for the Pine Nursery that was not SDC revenue, and identified as yet to be determined which could be grant funding, donations, earmarks and potentially general fund money. He stated there was a substantial amount of money needed to complete Phase I of the Pine Nursery that needed to be secured in future years beyond what was committed in SDCs. He stated the committed SDC money plus the future to be determined non SDC money added up to \$12.8M which is the number we estimated the first phase would cost in January 2007. Lindsey Lombard provided an estimate of the district's budget as developed over the past couple of weeks to allow us to be able to project how much the district will need to operate general operations next year. She reviewed the estimate for current level for next year, new programs, and the total estimated proposal for 2008-09. She stated these estimates result in an estimate of \$1M that is not allocated. Don stated that over the past few years the ending fund balance has been around \$2M which is the money that has been saved for the district office, and some of that money has been allocated to other capital improvement needs that we fund out of the general fund such as playground replacement in a neighborhood park. He stated that next year we will finish funding the district office which will still leave approximately \$1M that could be allocated toward whatever project the board feels is a priority. Lindsey stated that Ray Bartlett, one of the district's consultants, is currently tasked with evaluating the district's funding sources and projecting operational expenses specifically as to how they relate to our CIP which is an unknown at this time. She stated on the revenue side in the general fund we have seen over the last three years an average of 9 to 9½ % growth in our property tax revenue related to growth in the community. She explained that property tax revenue will increase at a set 3% amount if the

community doesn't grow and the 9 to 9½% increase has been in addition to the 3%. Lindsey stated that we are estimating a 2.5% growth in property tax revenue in next year's budget which is about a 7% decrease from the three prior years. She added that another influence on the revenue is our collections. Lindsey stated that over the last five years we have averaged about 6% uncollectable taxes, and due to the downturn in the economy she expects to see a significant change. She stated that every 1% increase in uncollectables equals about \$120,000 a year in tax revenue. Lindsey referred to the recreation program revenue and stated we have been very fortunate to grow those programs and due to our recreation staff's incredible work we have seen a significant increase in those revenues. She stated that is also an area that tends to be discretionary expenses for families in the community and as they may see some hard times for themselves, we are concerned that we are going to see a change over what we have experienced in the past few years. She stated that while expenses can go down in this area it is not dollar for dollar. She explained the district's level of subsidy has to be supported by the general fund to maintain the program level of service. Lindsey stated that even if we maintain the current service level and don't grow our district and our programs, it costs us more every year. She stated that the staff that operates our programs is our highest cost, and every year with cost of living increases and inflation on products, we will see an increase in costs. Don shared a chart that demonstrates revenue is growing at 3% per year as defined by the tax limitation in Oregon, however, the expenses are growing greater than 3% due to inflationary costs and the cost of providing services grows at a more rapid rate. He stated by that by state law when our expenses reach the revenue line, we have to start cutting services. He stated we are not there yet, but when you take on debt the threshold of the revenue and expenses is reached sooner. He stated he is providing this information so the board has an understanding that this timeline is a little bit of an unknown and sometime in the future we will reach that point. He added that he did not think we would reach it with the recommendations that will be presented to the board regarding the Pine Nursery; however, in terms of budgeting and long range planning it is something we all need to be aware of. Lindsey stated that staff has been very diligent in preparing their budget proposals in support of the board's desire to find a way to fund the Pine Nursery and have temporarily postponed some program requests. She also noted that some programs have not been able to come forward due to the need for additional staff and lack of space for staff in the current building. Don stated that all programs for special recreation, before and after school, adult enrichment, outdoor recreation, and sports are coordinated out of the districts office building and we haven't grown that area of the district as fast as we could have, had we been able to hire the staff we need. He stated it is a similar scenario as we have with the need for sports fields at the Pine Nursery. Bruce shared a potential capital project list and explained it includes all of the projects not listed on the CIP. He stated the district has a long list of capital needs that are not currently on the CIP, and the total of the CIP is \$87M. He stated that approximately \$40M of that is money that was expended in prior years so the current adopted CIP amounts to \$47M. He stated that a big piece of the CIP/SDC work being done by the advisory committee is considering this list and giving the board some advice regarding priority of the list.

George Thayer asked about plans for the Pacific Park and the current administration building. Don reported the district has been approached by a couple of developers interested in the Pacific Power site adjacent to the park. He stated the district's position is if someone is seriously interested in purchasing the Pacific Power property, we need to master plan that part of the river from Newport Avenue to Portland Avenue, and the district should be a part of that process to allow for the continuation of the Deschutes River Trail. He added there has been some discussion at the staff level regarding the need for more indoor recreation space and the building could be used for that type of activity. He stated that over the course of the next year while the new building is under construction, staff and the board will need to discuss long range plans for the building and the park.

The work session was recessed at 6:55 pm in order to conduct the business meeting.

REGULAR MEETING

Chair Ruth Williamson called the regular meeting to order at 7:02 pm.

VISITORS

Eric Staley, 1470 NW 3rd, Bend, Oregon, representing the Bend Volleyball Association, presented the board with a proposal for constructing sand volleyball courts at Riverbend Park. He asked the board to consider the proposal for a future agenda. He explained the group would like to build three courts and they have support in the community to help build and maintain the courts. Ruth explained that the group should meet with staff to discuss the proposal and thanked them for their presentation.

Stephanie Alvstad, Executive Director of J Bar J Youth Services, 62895 Hamby Road, Bend, Oregon, addressed the board regarding the proposed development of the Pine Nursery. She explained that they receive a large amount of requests for use of their field space which they accommodate as much as they can. She encouraged the board to find a way to develop the sports fields. She stated she would be happy to work on community support for the project.

Dan Walker, 16292 Skyline Drive, Bend, Oregon, addressed the board regarding the district's out of district policy. He stated that he has been challenged by the piece-meal wait lists for the camps for his daughter and the rules that do not allow out of district residents to register for programs at the same time as in district residents. He stated the registration delay denies his daughter the ability to participate in programs. He stated he understands that district residents pay approximately \$220 per year in taxes. He proposed two potential registration models: paying the \$220 up front and receiving the same treatment as in district residents or pay more per class but be allowed to register at the same time as in district residents. He stated he is not asking for special treatment, he just wants have to equal access to the camp registration process. Don Horton explained the registration policy was a board decision and suggested that if the board would like to consider the policy it could be placed on a future work session agenda. He stated the district exists to serve people who reside in the district and most recreation programs are subsidized. He stated the prior board felt that if an out of district person is taking a place in a program they should pay an additional fee and they wanted to ensure that in district residents were not displaced by out of district residents which resulted in the registration being opened to in district residents first. Ted Schoenborn suggested that perhaps the answer is annexation to the district. Ruth explained that the district isn't a club, it is a line drawn around the community that defines where the taxes are collected that support the district. She stated the board could review the policy, and as the UGB is expanded for the city the district may consider expanding its boundary.

Brett Matheis, 23338 Bear Creek Road, Bend, Oregon, addressed the board regarding the shortage of baseball fields in the community. He stated he is president of Junior Cougar Baseball Club that consists of four teams consisting of 50 kids and there are no fields available for them to practice. He stated he had requested a field from the district and was advised the only field time available is on Sundays. He stated there is a big contingency of people in central Oregon that would love to see more fields. He compared Bend with Redmond and stated they have great support with their park district and their youth baseball. He stated they don't feel they get that in Bend. He stated there are no mounds on the fields they are using and they are playing competitive baseball. He stated that Memorial weekend there are 150 teams that come to Bend from all over the state to play and this is the level of baseball they are trying to promote. He stated they play at Genna Stadium and on the high school fields. He asked that the board

consider the need to accommodate this level of players in the design of the fields at the Pine Nursery. He stated there is an opportunity here to bring tournaments to central Oregon that are revenue producers.

CONSENT AGENDA

Minutes – February 19, 2008, work session and regular meeting & February 27, 2008 Special Meeting

Pine Ridge Park playground equipment

Cedar Creek landscaping contract – Al Moody Park

Engineering/Surveying requirements contract

Bob Woodward moved to approve the consent agenda. Ted Schoenborn seconded the motion. Bob Woodward, Ted Schoenborn, Scott Wallace, George Thayer, and Ruth Williamson all voted aye. Motion passed.

BUSINESS SESSION

Appoint new Budget Committee member

Bob Woodward stated upon review of the applications he recommended Daniel Fishkin. He stated he felt he is the most qualified and had an interesting background. Bob Woodward moved to appoint Daniel Fishkin to the budget committee. George Thayer seconded the motion. Bob Woodward, George Thayer, Scott Wallace, Ted Schoenborn and Ruth Williamson all voted aye. Motion passed.

Appoint Shelly Palmer to CIP/SDC Advisory Group

Bruce Ronning explained that Shelly Palmer has come forward and volunteered to serve on the CIP/SDC Advisory Group representing the Central Oregon Coalition on Access (COCA). George Thayer moved to appoint Shelly Palmer to serve on the CIP/SDC Advisory Group. Ted Schoenborn seconded the motion. George Thayer, Ted Schoenborn, Bob Woodward, Scott Wallace and Ruth Williamson all voted aye. Motion passed.

Adopt Resolution No. 298 City of Bend IGA – Park Ranger Program

George Thayer asked how the funds received from citations are distributed. Don Horton explained that the citations will be managed by municipal court and, therefore, the city has more costs associated with the program. He explained the district has no experience in the management of citations and the city does have some costs that are not court costs such as support from the police department and administrative costs. Ted stated he hopes this does not turn into a revenue source for the district. Bob Woodward moved to adopt Resolution No. 298, an Intergovernmental Agreement with the City of Bend to establish the office of City of Bend Park Ranger. Scott Wallace seconded the motion. Bob Woodward, Scott Wallace, Ted Schoenborn, George Thayer and Ruth Williamson all voted aye. Motion passed.

EXECUTIVE DIRECTOR'S REPORT

Don reminded the board of the open houses scheduled for Wednesday and Thursday regarding the development of Riverbend Park and the construction of the district office.

The regular meeting was adjourned and the work session was reconvened.

Pine Nursery

Bruce Ronning presented proposed options for the Phase I development of the Pine Nursery for board consideration. He reviewed the history of the design work of the master plan for the entire park, and construction drawings for the first two phases of development, and shared drawings previously provided

for the board including a version referred to as Phase I Value Engineered, and the current budget option. He then presented Phase I Alternate “A” and Phase 1 Alternate “B” options including preliminary estimates. Norm Ziesmer reviewed the components of options that consist of soccer/lacrosse fields, softball fields with moveable outfield fence, a football/soccer field, loop trail, temporary off-leash area, fishing pond, parking and a community park with a playground.

Bruce shared information outlining estimated costs for each concept. He referred to alternate concept “A” with a total project estimate of \$4,665,539, and explained the components of the estimate and noted the additional funding required beyond what the district could currently dedicate to the project is \$2,138,365. Bruce then presented the total project estimate for alternate concept “B” of \$5,768,709 and explained the additional funding required for this option would be \$3,241,535. Lindsey Lombard reviewed the impact of borrowing money to build each option and the amount of annual debt service for each option. Don explained that if the board were to select alternate “A”, additional funding required in the amount of \$2.1M, assuming none of the \$1M identified earlier is allocated, apply for a \$750,000 local government grant, and the project will take about a year to construct, and depending on our budget cycle for the coming year and the following year, it may be that the district will not have to borrow any money for option “A”, and we would have to borrow some money to do option “B”. He added that we are now talking about the level of risk and obviously the more you do the greater level of risk. He added that staff believes the district can do options “A” and “B”, but we will need to balance our project list, and sports fields are not the only thing on the project list. George Thayer stated he would like to see the CIP and community survey process continue to get a better picture of what the community is looking for. Don explained that work has already been done for this project, and it was determined to be a priority. George asked if the district borrowed \$3.2M for option “B”, could we afford the \$481,000 per year for debt service. Lindsey stated that she believes we could afford the debt service; however, every choice comes with a potential counter choice that reduces the funds for other projects. Don stated that whichever option the board chooses staff will recommend that the previously identified \$1M be spent on the project to reduce the amount of interest paid for borrowing the funds. He also stressed the timing of applying for the grant and explained that staff would need to begin work on that immediately. Scott Wallace asked about the parking requirements for each option. Bruce explained the parking requirements and standards followed in the design. He noted that the options could be value engineered and there are probably savings to be had. Don also noted that help from the community has not been factored into the estimates. He stated that local construction companies could provide assistance with excavation. Ted Schoenborn suggested starting with option “A” and if the additional funding becomes available additional features from option “B” could be considered. Don recommended starting with option “B” and scaling back if adequate funding is not available. Bob Woodward stated he would like to start with option “B” and scale back if necessary. Ruth Williamson asked about the liability to the district of carrying a loan for eight years. Lindsey stated the cost to the district is the additional interest, and the risk is the board is committing to eight years of \$500,000 a year that would otherwise be used on other projects or programs, and the additional costs associated with operations. George stated he would advocate for a shorter borrowing time. Ted Schoenborn stated that option “B” is clearly the way to go and scale back depending upon funding. Don pointed out that on the school site there are two fields that the district could potentially use to access more fields. He stated it is easier for the district to obtain use of fields on elementary school sites than middle school or high school sites. He also referred to the list of capital improvements shared earlier and asked if the Pine Nursery is still the board’s highest priority. Bob stated it is important to note the amount of time that will be required to build the project. Bruce stated that staff’s target is playable fields in the fall of 2009 which is due to growing the turf as opposed to sodding the fields. Bob stated he is in favor of option “B”, and applying for the grant, and cutting back if we don’t get the grant or earmark. Scott Wallace stated that he has always had the impression that this project was a priority and remains a priority, and if

we need to make some other decisions down the road that helps this remain a priority, he is in support of making some hard decisions later because as a board we committed to this, and if we go back on that it is not the right message. He stated he is in favor of going for the maximum and if we need to scale it back we can. Ruth stated she didn't think option "B" is the midpoint that we are looking for in this discussion. She stated she thinks option "A" is, considering the amount of work that has been done taking into consideration the reduction in the collection of SDCs. She stated we have had some bad press that would make it look like we have shelved the project or that it is not important to the district or it has not been a priority and we all know this has been part of the conversation for a year. She stated this a great example of this organization working outside the constraints of bureaucracy and we are thinking creatively. She stated she thinks it is clear that we are working with a lot of conjecture and in the midst of a CIP/SDC review process, all of which needs consideration. Following further discussion the board reached consensus to move forward with option "B".

The regular meeting was reconvened. Bob Woodward moved to approve option "B" as a strategy to move forward with the grant application. Ted Schoenborn seconded the motion. Bob Woodward, Ted Schoenborn, George Thayer, Scott Wallace and Ruth Williamson all voted aye. Motion passed. Bob Woodward urged staff to continue to seek assistance from community partners on the project.

As there was no further business, the meeting was adjourned at 8:55 pm.

Prepared by,

Paula Lowery
Executive Assistant

Ruth Williamson, Chair

Bob Woodward, Vice-Chair

Ted Schoenborn

George Thayer

Scott Wallace