

Bend Metro Park & Recreation District
Board of Directors
Work Session, Executive Session & Regular Meeting
February 19, 2008

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

STAFF PRESENT: Don Horton, Wayne Smith, Bruce Ronning, Theresa Albert, Kim Johnson, Erin Bennett, Ed Moore, Lindsey Lombard, Dave Crowther, Matt Mercer, Sue Jorgenson, Robin Laughlin, Pat Erwert and Paula Lowery.

LEGAL COUNSEL: Neil Bryant.

MEDIA: Yoko Minoura, The Bulletin.

Visitors: See attached list.

WORK SESSION

Chair Ruth Williamson convened a work session at 5:35 pm.

Review United Senior Citizens of Bend (USCB) partnership

Wayne Smith explained documents provided in the board report. He reviewed his efforts to evaluate the performance of the United Senior Citizens (USCB) in accordance with the partnership agreement and explained that in his opinion the objectives of the agreement had not been met in good faith. He reported on a meeting with the USCB board where he shared specific concerns. He stated he assured them of the district's position to provide assistance to the organization to help them meet their goals and define their purpose. Wayne noted there has been a change in leadership and the new USCB board members felt it was a productive meeting and were receptive to working toward achieving the objectives of the partnership agreement. He added that he would be meeting with the board in March to determine if the USCB believes it is in a position to extend the agreement. Wayne also stated that the USCB may be considering dissolution of the organization and that would be addressed in March. He concluded that he would provide the board with an update following the meeting.

Review draft Comp Plan survey

Bruce Ronning referred to the draft of the Comprehensive Plan survey included in the board report and explained what information the district is seeking to obtain from the survey including whether there is a continuing need for the kinds of facilities and services identified in the plan and whether the district is meeting those needs. He stated the survey also provides the opportunity to ask questions about current issues and explore the need for additional indoor recreation space. He explained the board is being asked to consider and approve the content in order to move ahead with the survey process. The board noted a few minor editing changes, discussed phrasing of some questions and directed staff to go forward with the survey process. Bruce stated that survey will be sent out randomly to 3,000 residents of the district and 800 responses are needed to ensure it is a valid survey. Bruce added the survey is also designed to inform the district's CIP/SDC discussion.

Pricing Pyramid implementation

Wayne Smith explained the main purpose of the Pricing Pyramid is to help staff develop a methodology for determining appropriate fees and percentage of cost recovery for existing programs as well as future programs. He stated this document applies to the program development process and the methodology is based on the district's mission and values. He stated it will help staff to determine how we will continue to fund programs in the future in the event of budget constraints. Lindsey stated the policy will make sure the district is in line with what the board and the community value. Scott Wallace asked if there has been a change in the cost recovery trend over the last several years. Lindsey explained that cost recovery has been tracked, however it won't be the same as what will be measured for the Pricing Pyramid. She stated the recreation services fund over all has been tracked which includes indirect costs such as salary and benefits of registration staff including Wayne, marketing, etc. Wayne stated that the recreation department experienced a 73.8% cost recovery last year which was based on all expenses for producing programs. Lindsey reviewed and explained the benefits filters applied to programs to determine appropriate cost recovery. Don Horton explained that the higher level of the pyramid could be used to subsidize the lower level of programs and services. He stated the pyramid would guide more than how decisions are made in pricing programs; it would also apply to decisions about offering services. Lindsey explained the cost recovery target will be direct costs. She stated a one-year implementation is anticipated to allow time for staff training, monitoring and analyzing results and refining policy guidelines. She concluded the Pricing Pyramid Policy will be brought back to a future meeting of the board for adoption.

Tobacco free parks resolution

Don Horton reviewed previous board consideration of a proposed tobacco free resolution. He explained he received mixed reactions from the Tobacco Free Alliance to a policy drafted by staff regarding the implementation of a policy vs. an ordinance. He referred to four options included in the board report for consideration. Scott Wallace stated he is not in favor of changing the existing ordinance and asked about beefing it up to make a stronger statement. Bob Woodward stated he is not in favor of enforcement. Ruth Williamson stated she doesn't like to think we are in the enforcement business; however, we need to give the park ranger tools to manage district rules and regulations. George Thayer stated the district's mission is to foster a healthy environment. Ruth Williamson stated that she is in favor of option four to modify the existing ordinance to ban tobacco products in high use areas and areas where children are likely to congregate in large numbers. The board suggested that Don draft a modification to the existing ordinance incorporating the language from option four banning tobacco in high use areas, and areas where children are likely to congregate in large numbers such as around sports fields, playgrounds, within 30 feet of an entrance to a building, at the skate park, outdoor basketball courts, etc., for their consideration.

Budget committee appointment and process

Lindsey Lombard referred to four applications included in the board report for review. She stated the board will make the appointment at the March 4 meeting. The board discussed budget meeting dates and reached consensus to meet on May 13 and May 15.

REGULAR MEETING

Chair Ruth Williamson called the regular meeting to order at 7:05 pm.

CONSENT AGENDA

Minutes - February 5, 2008, work session and regular meeting

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

Appoint CIP/SDC Advisory Group

Bruce Ronning referred to the list of community members proposed to serve on the advisory group and identified the factions of the community they represent. He shared letters of application from two additional members of the community at-large who have volunteered to serve on the advisory group. He explained the advisory group will be tasked with examining future recreation facility needs, and advise the board in a revision of the district's Capital Improvement Plan and System Development Charge Methodology. Bob Woodward moved to approve the CIP/SDC Advisory Group members as recommended by staff. Ted Schoenborn seconded the motion. Bob Woodward, Ted Schoenborn, George Thayer, Scott Wallace and Ruth Williamson all voted aye. Motion passed.

Introduction to CIP/SDC Project

Bruce Ronning introduced D. J. Heffernan, Angelo Planning Group and Ray Bartlett, consultant with Economic and Financial Analysis. He explained they will share the consulting work on the district's review and revision of the district's CIP and SDC program.

D. J. Heffernan addressed the board. He explained that Angelo Planning Group is a small planning firm based in Portland. He said the principals and senior project people and staff all have over 25 years of experience working with planning in Oregon and public finance. He explained that Ray Bartlett has been brought in to assist with the capital improvement finance planning. He stated he would be focusing on the SDC update beginning with a presentation to the advisory committee on February 20. He stated the key issues that Bruce has shared with him include exemptions or discounts for certain types of development, the indexing formula, and whether there are other services that ought to be covered under the SDC program. He added he would like to hear from board members concerning other issues and interests they would like to see addressed.

Ray Bartlett addressed the board. He explained his firm is based in Vancouver, Washington, and has been established for about 20 years. He stated he works on debt management, debt issuance, asset management, capital planning for municipalities, utilities and private corporations. He stated as we put together the Capital Improvement Plan we can look at the best ways of financing that whether through cash, issuing debt, contributions or grants. He stated that what we put together will include operating and maintenance costs and pricing out depreciation to develop schedules to help set aside money for replacement and repair as well as for additional assets to come on. He stated he will look at all sources of revenue including system development charges.

Scott Wallace asked following the survey how soon the board could expect to have some of this information compiled. Bruce Ronning stated that the survey results should be available in April. He stated that some of the questions of the survey were specifically designed to help inform the discussion of prioritizing the district's capital needs. He added the advisory group is also viewed as a focus group and we can drill down further on those issues with this group. He

stated once we have completed this process with the group we hope to arrive at some level of consensus of the group so that they become spokespersons in support of the ultimate set of recommendations brought to the board. Bob Woodward stated he thinks the SDC process and the SDC funding is the most misunderstood program there is, and if this committee can come up with some way to state that in a very easy to understand manner it would be much appreciated. Scott Wallace stated one of his concerns is the erosion of the level of service and how we make up for that. He stated we need to do something to maintain the level of service expected from the community. D. J. stated that the growth in the community and escalation of land prices has contributed to that erosion and the committee will need to take a very close look at the formula used to calculate the SDCs. Don Horton stated part of the problem is relying almost solely on SDCs with some assistance from the general fund if we had a funding formula for the capital improvement program that is broader than that we would stand less of a chance of falling behind during times like the growth we have experienced over the last few years. Ted Schoenborn stated he is concerned the old formula focused on park acquisition and trails and not for indoor facilities. He stated he hopes we look seriously at the possibility of including facilities in the new formula so we can continue to provide the kind of services we want to offer.

New district office building Guaranteed Maximum Price (GMP)

Don Horton thanked Pat Erwert and Robin Laughlin for their work over the past few months on this project. He noted that John Williamson, Skanska, is in attendance. He explained the district's options for doing construction projects such as the district office building. He stated one option is to go out for a hard bid and the other option is to go with the (construction manager/general contractor) CM/GC which is what was done with the JSFC project. He explained the advantages of hiring the construction manager who works with the architect early on in the process particularly with value engineering and cost estimation. He stated that Skanska has honored their portion of the contract in that regard and we are now entering into the guaranteed maximum price phase of the project. He stated the GMP is an exhibit to the contract and referred to documents provided in the board report. He stated the GMP the board is being asked to approve is based on the cost estimate that Skanska did and an estimate an independent cost estimator prepared for the district. Don explained the amount of the GMP is divided between two projects: the district office in the amount of \$5,796,106 and Riverbend Community Park in the amount of \$964,142. He stated that Skanska has agreed to oversee the grading work for the park sight and the remainder will be done in-house either through independent bids or in-house staff. He stated that Pat Erwert will be the district's contact person working with Skanska on a daily basis for the construction of the building. Don stated the GMP was split up because there are two different funding sources; \$5,796,106 from the general fund and \$946,142 for the park is SDC funded. Don displayed the park design and identified siting of the district office, parking, river trail access features, etc. He reported on a donation from Bill Smith of fill and the placement of the fill material on the site. He stated the design and specifications for the project have been completed and it is in review with the city. He added the site work has been bid out and has come in a little under budget and Bill Smith's donation will contribute to additional savings. He stated if bids come in under the GMP amount the extra money would be applied to the contingency for the life of the project and at the end of the project the money remaining in the project budget would go to the district. Bob Woodward moved to accept the Guaranteed Maximum Price Contract Amendment with Skanska in the amount of \$6,760,247 to be divided between two projects: District Office in the amount of \$5,796,106, and Riverbend Park in the amount of \$964,142. George Thayer seconded the motion. The board briefly discussed the public perception of the building. George stated he

believes the public doesn't understand this isn't just an office building and will have components for public use. Ruth Williamson asked for clarification of the contingency. Don explained that it is part of the \$5.7 million. Scott Wallace asked about Skanska's oversight of the park construction. Don explained that Skanska is over seeing the excavation and grading of the park and the hardscape for the parking lot. Bob Woodward, George Thayer, Scott Wallace, Ted Schoenborn and Ruth Williamson all voted aye. Motion passed.

Bend Elks lease and ground lease of Genna Stadium

Don Horton referred to a proposal presented to the board previously to build a facility at Genna Stadium. He stated that in order to make the project work two agreements are required. Jim Richards, Bend Elks, addressed the board and explained that a ground lease in addition to the facility lease is required to capitalize the project. Scott Wallace clarified it is strictly a construction vehicle for Jim to use while the building is being built. Don explained that Jim makes the improvement to the property, which is the building, and the building becomes real property which he has the right to operate through the term of the lease that is being extended to 30 years. He stated that at the end of the 30 years, if he wants to stay in business we discuss what a future lease might look like, and if not it becomes property of the district and we own and operate the facility however we see fit. He stated this is an opportunity to open up more partnership opportunities for indoor programming on site. Jim stated some of that is established now with the baseball camps that the district promotes for the Bend Elks. He stated he believes this is a great business model that we can expand in other indoor activities as well. He noted the improvements to the stadium will be the addition of restrooms and relieve some of the pressure we are feeling at the stadium between the high school and college team use of the facility. He added there would be additional use opportunities of the building in the off season. George Thayer asked where this arrangement fits in the pyramid pricing model. Don explained that the district is not subsidizing this arrangement and there is some economic value to it in terms of in-kind partnership. He added that the district is guaranteed 30 days access per year within the schedule which is new to the lease. Jim stated he envisions more than 30 days as the partnership will be expanding. The board discussed the types of district and community uses anticipated for the facility. Neil Bryant addressed the board and noted some items in the lease need clarification. Scott Wallace moved to approve the ground lease and stadium lease for Vince Genna Stadium, and to give the Executive Director the authority to make changes recommended by district legal counsel. Ted Schoenborn seconded the motion. Scott Wallace, Ted Schoenborn, Bob Woodward, George Thayer and Ruth Williamson all voted aye. Motion passed.

Bend Swim Club facility use agreement

Matt Mercer stated the proposed agreement includes some slight revisions to the existing agreement. He explained the agreement addresses practice times, procedures, expectations and fees. He stated the agreement is reviewed annually and this year's proposed changes include making the contract renewable upon the approval of the Executive Director including the previously board approved scoreboard sponsorship recognition agreement in the facility use agreement. He added the agreement limits the club to one swim meet each year that results in a full facility closure to the public. Matt also stated that it would be helpful to receive direction from the board as to how many facility closures are acceptable for conducting swim meets. Ruth Williamson asked about a previous request from the swim club to host a meet that would require closure of the facility. Matt explained that the club determined they needed more time to evaluate hosting the meet and may consider it for next year. George Thayer asked about the

training and fees related to use of the scoreboard and timing system. Matt stated that he expects to have someone on staff at JSFC trained to operate the system with an associated fee charged to users other than the swim club or facility programs for that use. Bob Woodward noted the impact of swim meets on the facility use time and suggested that the scheduling could be more flexible to accommodate public use. He added that JSFC is not the single use facility like many others around the state that host swim meets. George Thayer moved to approve the agreement and authorize the Executive Director to enter into the proposed facility use agreement with the Bend Swim Club. Scott Wallace seconded the motion. George Thayer, Scott Wallace, Ted Schoenborn, Bob Woodward and Ruth Williamson all voted aye. Motion passed.

EXECUTIVE DIRECTOR'S REPORT

Brooks Park proposed veteran's memorial

Don Horton reminded the board the district would be hosting a meeting Wednesday evening to receive input regarding a proposed veteran's memorial in Brooks Park. He stated staff is trying to determine if Brooks Park is an appropriate site for the memorial, and if it is, the process moves on to the next step. He stated it has been difficult to get that message out as some people in the community are ahead of the process. He also stated the board would receive a recommendation from staff for their consideration.

Pine Nursery

Don Horton stated he would like to receive some direction from the board regarding the Pine Nursery project in light of recent newspaper articles regarding the project and the new district office building. He stated the Pine Nursery project is still in the Capitol Improvement Program (CIP) and we ought to be moving forward to find a way to fund it. He noted we are in the process of reviewing the SDC methodology, the CIP and upcoming budget which will help determine how we might fund the project whether it is borrowing, grants, community support and/or a combination of all of those revenue sources. He stated that he and Ruth have discussed an Op Ed piece for the newspaper to explain the district's position regarding the project. Scott Wallace stated he felt the district could have been more proactive in terms of what we were doing. He stated he has heard from several different people and organizations about how this community has always been known for its volunteerism to get things built. He stated he would be in support of putting something together to help set the record straight or to educate about where we are coming from as the board and the district. He suggested looking further at what the funds we have available could do at the Pine Nursery in addition to the trails, pond and dog park. Don stated the disappointment he has heard from the community is regarding postponing the construction of sports fields. He asked if the board felt we should follow our funding process or immediately find a way to fund it. Ted Schoenborn stated that he feels our CIP process is a very good one, and a very extensive one, and he doesn't feel we should be abandoning our planning process because there is some controversy over our priority. He stated he believes we have to take the community interest into consideration as we revise the CIP. He added he would support an Op Ed piece. Bob Woodward stated that while the district's public relations outreach has become more aggressive we are living in a town where the newspaper has decided controversy is their direction. He stated we have to stand up for what we believe in through every form of media, and an instructive Op Ed would be appropriate. George Thayer stated he would like the CIP process to work, and with the current economy it may be cheaper to borrow and build the facility due to the depressed construction market. Ruth Williamson suggested directing Don to evaluate other funding mechanisms

current with the CIP process. She stated she thinks it is very important that the outcome of the process inform the board's decision on the Pine Nursery, as well as convey that the project has remained a priority. Ted stated we need to believe in the integrity of our process and he would be opposed to changing our process in response to an editorial in The Bulletin. He added we have always said that the Pine Nursery was one of our priorities and he would be in favor of looking at other funding sources in concert with the planning process currently underway. Ruth stated that she is suggesting that by the time we get to the end of the review of the CIP/SDCs we are prepared to act based on the results of the planning process. She stated this could become a liability for the district and she wants to pay attention to what the community is saying. Bob stated he believes the results of the survey will provide very important information that will assist the board in its decision-making process. Scott stated we need to be diligent about communicating the district's actions to the community based on the survey and planning process. The board agreed that an Op Ed piece would be appropriate and that they wished to continue through the current planning process.

GOOD OF THE ORDER

George Thayer stated that he attended the Special Districts of Oregon Association Conference and one of the big issues is the recommendation that all board members should have separate email accounts for dealing with district business. He stated board members should not be conducting board business on their personal computers.

Scott Wallace asked about a resolution before the city council to establish an office for the city of Bend park ranger. Don Horton explained the council action provides the police chief the authority to give the district the authority to enforce our rules and regulations which will be carried out by the district's park ranger.

EXECUTIVE SESSION

The board recessed the regular meeting and convened an executive session pursuant to ORS 192.660 (2) (i) for the purpose of conducting a performance evaluation of the executive director.

The regular meeting was reconvened at 9:20 pm. As the board determined to postpone taking any action based upon the executive session discussion the meeting was adjourned at 9:21 pm.

Prepared by,

Paula Lowery
Executive Assistant

Ruth Williamson, Chair

Bob Woodward, Vice-Chair

Ted Schoenborn

George Thayer

Scott Wallace