

**Bend Metro Park & Recreation District
Board of Directors
Executive Session & Work Session
February 17, 2009**

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

STAFF PRESENT: Don Horton, Bruce Ronning, Lindsey Lombard, Ed Moore, Theresa Albert, Dave Crowther, Andie Lindgren, Wayne Smith and Paula Lowery.

LEGAL COUNSEL: Neil Bryant.

MEDIA: Erin Golden, The Bulletin and KOHD TV.

VISITORS: See attached list.

EXECUTIVE SESSION

Chair Bob Woodward convened an executive session at 5:30 pm pursuant to ORS 192.660 (2) (e) for the purpose of discussing real property transactions. The executive session was concluded at 6:00 pm.

WORK SESSION

Chair Bob Woodward convened a work session at 6:05 pm.

Budget Committee Applications

Lindsey Lombard, Director of Finance, reported that six applications had been received for the two vacant positions on the budget committee. She noted the applications had been provided for board review as an insert to the board report. She explained the board is scheduled to make the appointments on March 3. She also reviewed the budget calendar and stated the facility tour has been scheduled for Wednesday, April 22. As there were conflicts for some board members with the proposed budget committee meeting dates, Lindsey requested that she be provided with dates that board members are available in May in order to schedule the meetings. Bob Woodward referred to the applicants and recommended Michael Graham and Bob Almquist. George Thayer stated he was impressed with the qualifications of the applicants. Ruth Williamson agreed with Bob's recommendation, stating that Bob Almquist has been active in the community for a long time and Michael Graham has served the district on the SDC Advisory Committee and attends board meetings regularly.

SDC Discussion

Bruce Ronning, Director of Planning and Development, briefly reviewed the year-long assessment of the district's SDC Methodology pursuant to Ordinance No. 6 and state statute. He explained the elements of the cost basis used to determine the SDC fee. He stated staff, as directed by the board, has developed two potential alternatives for estimating the future land cost basis used in the SDC calculation. He stated the first option is to remove the community park elements from the weighted average used to establish the land cost basis in April 2008 that would result in a residential land value of approximately \$145,000 per acre within the UGB. He stated the second option would employ an appraisal of properties comparable to those needed for future parks within the district which would require additional time, and no resultant estimated land value is yet available. Bruce referred to a spreadsheet provided in the board report and reviewed the information used to determine the land cost value of \$145,000 resulting in a fee of \$6,143 per single family residential unit, with regional park land or \$4,776 without regional park land. He stated that

staff is requesting some decisions and direction from the board in order to proceed with preparing a methodology resolution and potentially a fee setting resolution (including the timing of the imposition of the fee) for board consideration at the March 3 meeting, along with the second reading of Ordinance No. 8. Bob Woodward stated he appreciated staff's efforts with regard to the land costs. Ted Schoenborn stated we want the numbers to be realistic. Scott Wallace agreed with the proposal to remove the community park component. The board agreed to change the land cost value to \$145,000 per acre. Bob referred to the decision regarding whether to leave regional parks in the methodology. George stated if regional parks are left in, there is no change to methodology, and the board does not have to impose the regional parks fee. He stated he is in agreement with Ted to leave regional parks in the methodology for these reasons. Ruth Williamson stated that she is very much in support of keeping regional parks in the methodology. Scott stated it comes down to timing for him, and he has struggled with whether it is appropriate to include in the methodology, and he feels very strongly that there should be nothing imposed at this time related to regional parks. He stated he can see including it in the methodology provides us with the flexibility down the road, but he is of the opinion that it would be inappropriate at this time to impose any portion of that. Ruth stated she would agree with that and at this time she wants to see it included in the calculation. Ted stated there is a substantial advantage to not changing the methodology and he has no conflict with Scott's concern with regard to the imposition of the fee. Bob stated he agrees with Scott that the regional parks are tied very closely to the imposition of the fee. He stated for him the critical issue of the fee is how and when it is imposed. Ruth stated the district always needs to walk in step with the community and the times, and there is no reason for us to ignore the obvious, but she thinks we should set some sort of schedule for review and imposition of the fee. Bob stated he could agree to setting the fee, but putting a moratorium on imposing the fee until such time as the market recovers, and at that point conduct a review process to phase in raises to the fee based on the market. Ted agreed, and stated the timing of the phasing of the fee is the real question to be addressed. The board discussed several options for the timing of the imposition of the fee. Don Horton explained the logistics for imposing the fee for the city of Bend and the district. He recommended that the board delay imposition of the fee until 2010 and set a schedule of review prior to determining the amount to be imposed. Ted expressed concern regarding getting into a situation of falling farther and farther behind in funding development and acquisition of parks by too restrictive of a program in delaying the imposition of the fee. Scott stated that he did not anticipate that the board would not take the appropriate steps to catch up to the full fee based on the economy. Ruth stated that this is the best way to ensure that we have a community that builders and realtors can sell homes in, and that is why we need to be strong in our commitment to funding a park district as it needs to grow with the community. Bob stressed that the future boards need to examine the economic conditions in their determination of the imposition of the fee. Don stated that this board has put the most effort into this task and it is this board that is being asked to come up with a resolution to the situation, and if a future board is charged with setting the fee, it will be without the benefit of the deliberations of this board. He recommended providing future boards with direction with regard to when the fee increase should occur and how much it should increase. He stated it will require a board resolution to increase the fee. Neil Bryant suggested crafting a preamble to the resolution to explain the process this board has conducted and the ultimate decision of this board. Don stated the preamble should include some direction and the board can express their understanding of the current economic downturn and acceptance of the fee schedule with the understanding that it needs to be evaluated before the fee is increased based on the existing economic condition annually. Bob clarified the board has reached consensus with regard to the land costs, a majority agreement to leave regional parks in the methodology, and a majority on setting the fee at the maximum. He noted that the timing of the imposition of the fee remains to be worked out. He added that his point is that no imposition of the proposed fee be considered until July 2010 and at such time the existing board raises the fee 25% unless market conditions warrant more or less, and that can be carried on year after year until the full fee is met.

Ruth asked if you could pass if the conditions were still lagging and impose an increase the next year. Don suggested the board could do that and it could be defined in the preamble. Scott stated he is not opposed to this and expects some flexibility to be able to raise the fee in order to not fall behind in year three. Ruth suggested language that would direct a minimum of 25% increase, but not limited to 25% based on market conditions. Bob stated he would be in favor of that language. George added that he would like to have the most credible information available to assist their decision-making process. The board concluded the discussion with direction to staff to draft preamble language and a resolution for their consideration.

Capital Improvement Plan (CIP) Discussion

Lindsey Lombard presented the compiled results of the board's prioritization exercise conducted at the February 3 meeting. Don Horton explained that at the completion of the board's review and direction he expects to have a five-year CIP that reflects what we believe we can do with the resources we have available. He added there are some projects we haven't identified funding for and staff would like to have some type of priority order so we know where to dedicate staff time to try to make those projects happen in some way. Lindsey noted that additional description of the projects identified by the board in the prioritization exercise has been provided in the board report. Bruce Ronning shared a map identifying the location of the projects. Lindsey reviewed the results of the board's prioritization in comparison with the advisory committee and survey results and noted that cost estimates and funding sources were provided. She identified a list of projects on a draft five-year CIP and noted the board had not previously been given the opportunity to prioritize those projects. She explained these are not included in the current year budget. She reviewed the differences between the board priority and committee priority and stated that staff would like further input from the board. Lindsey referred to partnerships and noted that the board might wish to remain flexible and consider placing a project higher in priority based on partnership opportunities. Scott Wallace stated that he thinks we want to maintain the flexibility to switch course based upon timing and who may be interested and being able to capitalize on those opportunities. He added he needs more time to understand the scope of the projects in order to move forward with prioritization. The board agreed with Scott's assessment of taking advantage of partnership opportunities. Bruce noted that the costs associated with the projects are estimates and provided to give some context to the prioritization process. Ruth Williamson stated that she appreciated receiving the additional information and the comparison of priorities between the board, committee and survey. She stated that she believes that those projects that rank as one or two with a relatively modest price tag are those that we should consider getting done because the community wants us to do them, and that will keep us relevant in the community during these down times. She added that during these times people will turn to open spaces, trails and programs the district provides. She stated that the number one board priority to complete Phase 1 of the Pine Nursery reflects the concern expressed by the community. She stated the Ponderosa Park Master Plan is also important for her as she would love to see the district start addressing projects in that quadrant of town as it is a very underserved part of our community, and it is something that can be staged and we can moderate the cost. Bob Woodward referred to the ranking in the survey of the Pine Nursery and stated that he believes people did not understand the project includes more than the ball fields, and if they had seen the whole picture, it would have ranked higher. Ted Schoenborn stated it is perfectly appropriate to rank the Pine Nursery as a number one project, and he agreed with Ruth with respect to the Ponderosa Park Master Plan as he would like to see it begin to be implemented in phases. He stated he thinks we need to be showing change and effort in that part of town. Scott stated that with regard to the Pine Nursery what he read into the survey and what he received from the committee was the direction to finish what we have started, and we need to continue to do what we can when we can moving towards full build out, how ever the growth dictates the need. Don cautioned that what we have committed to the Pine Nursery will get part of Phase 1 finished, open and available to the community. He stated the question we need to answer is how much of the

remaining \$6.2 million are going to put toward the Pine Nursery when we have all of the other projects that we would like to do as well. He stated we don't have \$6.2 million and we have not identified a funding source. He stated a portion could come from a grant, a partnership or other sources, and if that continues to be a high priority for the board we will continue to try to find ways to get it done. He stated what we are looking for is the balance between spending a lot of money at the Pine Nursery and doing a number of other smaller projects that will have a greater impact throughout the entire community. Ted stated that we will have a better feel for the need for future phases at the Pine Nursery when we are able to gauge the use of the first phase. Ruth stated that she would like to see staff dedicate some time and work with the board on cultivating some partnerships for the Pine Nursery as it would provide a real opportunity for us take the lead in the community in creating greater collaboration and coordination of public funds to build a community asset. Bob agreed and noted the success of the Portland Park Bureau with partnership projects. George asked about the possibility of acquiring land in partnership with the land trusts. Bob suggested approaching the Oregon Community Foundation as they direct funds to all sorts of projects. Ruth referred to the Mirror Pond siltation issue and expressed concern regarding the potential impact on the district and the need to be prepared to participate in a solution. Bob noted it is a multi-agency issue. The board determined to continue the CIP discussion on March 3 and be prepared to provide staff with more specific direction with regard to the five-year CIP.

Executive Director's Report

Don Horton shared a copy of a newspaper article and editorial regarding proposed legislation to prohibit school district print shops from providing printing services to government agencies. He noted that the citizens of the community expect agencies to share services and find ways to make best use of tax dollars, and this legislation will create a situation that will interfere with our ability to do that. Following discussion the board directed Don to pursue a position of opposition to the legislation with Oregon Park & Recreation and Special Districts of Oregon legislative committees.

Good of the Order

George Thayer complimented the interpretive signs on the river trail. He stated they are attractive and informative and suggested that signs regarding geological formations could be added.

As there was no further business the work session was concluded at 7:35 pm.

Prepared by,

Paula Lowery, Executive Assistant

Bob Woodward, Chair

Scott Wallace, Vice-Chair

Ted Schoenborn

George Thayer

Ruth Williamson