

**Bend Metro Park & Recreation District
Board of Directors
BOARD WORKSHOP
Minutes
January 7, 2014**

BOARD PRESENT: Scott Wallace, Dan Fishkin, Scott Asla, Ted Schoenborn and Craig Chenoweth.

STAFF PRESENT: Don Horton, Michelle Healy, Lindsey Lombard, Theresa Albert, Jan Taylor, Matt Mercer, Pat Erwert, Amy Parker and Paula Lowery

LEGAL COUNSEL: Paul Taylor

MEDIA: None.

VISITORS: Debbie Harr.

Chair Scott Wallace convened the workshop at 9:10 am.

Don Horton thanked the board for dedicating a full day to the discussion of the agenda topics. He stated this is perhaps the most important meeting of the year and explained how it assists staff with budget preparation.

Annual Strategic Action Plan

Don Horton noted that a review of the Annual Strategic Action Plan performance measures would not be done at this time, as they will be based on surveys yet to be conducted, and staff has not completed its work on creating service standards. He explained the performance measures would be included in the year-end review of the Plan.

Michelle Healy reviewed the format for categorizing the status of the Annual Strategic Action Plan projects and noted that the Bend 2030 Accelerate Bend projects that support the district were added to the plan.

Theresa Albert provided a brief review of the status of projects in the areas of performance appraisal resulting in the creation of core competencies for all leadership positions; a comprehensive performance management training program; completion of a compensation and classification study; and development of a work force plan and professional development plan. The board and staff discussed the succession plan process and how the implementation of core competencies, work force planning and professional development will help to ensure there is qualified in-house staff.

Lindsey Lombard briefly reviewed the status of projects in the areas of financial forecasting including the use of refined maintenance and operation costs to update forecasts; improving the CIP planning process and format for providing information; improvement in project budget tracking methods; and a data storage and file management system. Lindsey explained how the

project budget tracking has been set up to assist staff in tracking expenditures, funds committed for specific components of the project, changes in cost estimates, etc. The board and staff discussed a format and process to report this information to the board.

Dan Fishkin shared his concerns regarding the experience and qualifications of consultants hired to design and build the Simpson Pavilion. The board and staff discussed the scope of the Simpson and Colorado Dam projects and the process used for selecting the consulting teams. The board expressed the importance of the success of these projects and it was determined that staff would provide the board with additional information regarding the RFP process, and qualifications and experience of the consulting teams.

Jan Taylor presented a brief overview of the status of projects relative to the experience of park patrons with respect to policies and procedures that direct public information, business use of parks and management of use of parks and unsupervised activities. She explained this work involves a review and update of park rules and regulations and developing new approaches in how we influence a positive experience for our park patrons. Jan reviewed the work to date on the branding campaign and next steps. Dan Fishkin asked if the issue of homelessness and homeless in the parks is included in the plan in terms of communication to the public how we are dealing with it. Jan explained this issue fits in with operations in parks and the work she and Pat Erwert have been focused on. She stated that we have been building relationships with the leaders of those groups that are addressing homelessness in our community. Dan stated that in addition to managing the issue operationally, we need to include messaging in a positive way about how we are addressing it. Pat stated that staff is meeting regularly with the police department, Bend Downtowners and the library to share experiences and evaluate what we can do. He stated we are working collectively to develop some options. Don Horton explained the district's position with the social service agencies is that the homeless are welcome to use the parks as long as they follow the park rules and regulations. He explained the social service agencies can help get our message to the homeless about the rules in an effort to achieve compliance. Ted Schoenborn stated it would be helpful if the talking points of messages to the press were available for the board so we are all speaking the same language.

Jan referred to the initiative to study the feasibility of seeking naming rights at the Simpson Pavilion and stated this subject is planned for future board discussion. She stated staff would like to explore if this is something the board has an inclination toward. Don stated he feels this is something we need to be considering now and create a framework for the board discussion.

Pat Erwert reviewed the status of projects related to the management of park and facility use and explained that staff is working on a program to have more presence in the parks. He stated he anticipates bringing a proposal to the budget process to expand the park resource aide program implemented during the past summer. He noted the program was very successful and well received by the public. Scott Asla suggested a program to train volunteers to be ambassadors. The board and staff discussed a program that could involve staff and volunteers to increase a presence in the district's parks and facilities. Pat noted that in terms of financial stewardship staff is seeking assorted grants and has recently received a grant for the fire fuel reduction program and a PV system for the district office. Pat reported on staff's efforts to

estimate maintenance costs of all new parks and facilities in preparation of the CIP and explained how estimates of maintenance costs are being attached to new projects. He stated this process will help to prepare for upcoming costs and maintain what we have. Pat referred to the initiative to improve safety training for staff and explained a safety coordinator was hired to develop a program to ensure we are following protocols not only for staff, but patrons as well. He stated this effort has been hugely successful with all OSHA training completed for park services staff, and that will be continued district-wide.

Matt Mercer noted that the recreation goals are ongoing and many are tied to the program development and delivery model adopted nearly two years ago. He stated our successes and advancements including the cost recovery subsidy allocation model to program evaluations and future service delivery are driven from that process. He stated it is anticipated a district-wide master plan of skate parks gain some momentum with the opening of the new skatepark at Ponderosa. Matt referred to initiatives that address the development of cohesive and comprehensive older adult recreation programs and explained the progress of this initiative is connected to the final decision with the senior center in terms of the first phase of development. Matt briefly reviewed the status of work with PUSH in terms of developing a stewardship program with the new skatepark and future parks. Scott Asla noted the district's work with Timbers is not on the plan. Matt acknowledged the error of omission. He stated the Timbers agreement is aligned with the initiatives to support a capital project and district operations, and the oversight will be corrected. Matt cited the initiative to consider interests and needs of the Hispanic population in the provision of services and explained we are working on hiring an outreach person to help us assess and develop a plan to ensure we are engaging that growing part of our population. Scott Asla asked if there are any Spanish-speaking people on the recreation staff and suggested assisting staff with obtaining training. Theresa Albert explained the recent additions to compensation policy to include a bilingual skills differential. She added the district has a policy in place regarding reimbursing employees for training to meet job requirements.

Ted Schoenborn stated he would be interested in how we identified the initiatives and tasks that align with the Bend 2030 Accelerator Projects to be in a better position to advance our interests.

Recreation Cost Recovery & Subsidy Allocation Model

Matt Mercer explained the intention of this discussion is to allow the board to weigh in on priorities in terms of recreation in advance of the budget process. He reviewed the cost recovery and subsidy allocation model categories and ranges. He stated staff does not anticipate any significant changes in subsidy allocation in the coming year with the exception of considering additional funding for expanding the needs-based assistance program. He reported on the status of the cost recovery and subsidy for the current year. He noted that we will be over budget for inclusion services and this is a growing area that will need further evaluation and discussion in terms of resources and what services we need to provide. He stated that the needs-based assistance program is currently subsidized at 65% with 35% of the resources provided by other funding. He stated that a significant increase is not anticipated, and cited recent discussions with the Bend Park & Foundation board regarding its future role with the

needs-based assistance program in providing a higher level of service for people that really need it. He cited issue-based programs as those provided in therapeutic recreation and older adult programming at the senior center, particularly social-based programs, and explained that area is consuming \$128,000 in tax subsidy. He also reviewed the subsidy and cost recovery for Juniper and district core recreation programs. Dan Fishkin asked about the 100% subsidy of the senior center. Matt explained the fee structure for programs and services is low and the size of the facility presents a challenge in terms of programming that would increase cost recovery. The board and staff discussed capital costs relative to cost recovery. Don Horton explained operational costs are associated with cost recovery. The board and staff discussed how out of district program use is calculated in terms of subsidy and cost recovery. Scott Asla stated he would like to see annual participation levels associated with the subsidy/cost recovery levels. Dan Fishkin stated he would also like to see associated operational costs. He added this information is very helpful and the bigger question for the board is whether these are the right levels of subsidy and cost recovery. Matt stated with the expansion of the senior center more revenue will be generated in fees and the base costs of the subsidy will not increase significantly. The board and staff also briefly discussed appropriate subsidy/cost recovery expectations for the Pavilion.

Financial Forecast

Lindsey Lombard shared a 5-Year Financial Forecast Graph that included fund balance information for years 2010-11 to 2018-19. She explained the financial forecast aids in determining the organization's strategic direction, and decisions that affect the long-term financial viability and sustainability of the district. She noted that while we tend to focus on the CIP piece of our financial forecast, it is important to speak to the operational costs long-term. She shared and reviewed calculations tied to each of the assumptions used to create the forecast including: building starts and associated SDC fee revenue, investment rate of return, percentage of growth in assessed value, increases in recreation subsidy, a new park services division, district growth and percentage of increases in personnel services and materials and services. She noted the SDC fee projections are based on no revisions to the district's methodology. Lindsey explained that staff has determined a full-scale revision of the current methodology needs to be formed by more significant work on the comprehensive plan before the methodology can be addressed. She stated that a discussion about the inputs that go into the actual fee would be appropriate in terms of population, levels of service, and costs for land acquisition, development and construction.

Lindsey shared a land acquisition cost analysis from 2010 to the most recent land acquisitions located inside the UGB. She stated the average cost per acre is \$193,417 and explained the board set the fee in the 2009 SDC Methodology at \$145,000. She added the cost had been indexed down each year during the recession and is now \$124,849 per acre which is below the adopted cost of \$145,000. Don Horton briefly reviewed the board's decision in 2009 and explained that basing an increase on the index doesn't catch up with the peaks and valleys quick enough. He stated staff is not proposing an increase at this time as we want to further evaluate the level of service and population projections, however, the board should be aware of the shortfall between the current fee and actual land costs. Scott Wallace stated that as the UGB expands there is the expectation that land costs will continue to escalate. Craig

Chenoweth stated the economist's projection is that the economy will continue to grow from 2014 to 2020 before there is a slowdown. He noted the goal is to have the UGB expansion completed by 2017 and the reality is that land costs could go through the roof due to the current land crunch. Don noted that the national standard for neighborhood parks is 2 acres per thousand and due to the escalation in local land values prior to 2009 the district's standard was lowered to 1.5 acres per thousand. The board and staff discussed the need for the district to revise and update the data for valuing land to keep up with market conditions.

Lindsey reviewed projected fund balances for years 2010-11 to 2018-19 including the SDC Fund balance noting the reduction in the balance is due to spending on the CIP projects. She explained the general fund, and equipment and facility reserve funds are identified under all other fund balances that are projected to increase over the next five years. She explained the projection for all other fund balances less reserves of two months of operating expenditures in the general fund, \$350,000 in the equipment reserve fund and increasing the reserve in the facility reserve fund to achieve \$2 million. She noted the fund balance is projected to be \$6 million in 2018-19. Don noted that following the CIP discussion the board will need to revisit the projected fund balance in terms of a list of unfunded projects that will be provided for consideration. Lindsey added that we are nearing the era where far more of the general fund money will need to go toward operations, replacement, rehabilitation, etc., as opposed to the funding major capital projects. She also pointed out that these figures are based on providing the current exceptional level of service in maintaining parks and facilities, and at some point the discussion may need to be about the level of service.

District-Wide Compensation and Classification Study

Theresa Albert stated there is a board policy regarding the district's compensation plan, and it has been approximately eight years since the last compensation and classification study was conducted. She explained the recent study considered total compensation, including wages and benefits, and an internal equity review was conducted with each department director. She stated an extensive external market survey was conducted by HR Answers including private and public sector. She stated it is the district's goal to be within market, not to lead or lag in market. Theresa stated that HR Answers recommended the district create a new pay plan structure of exempt and non-exempt positions. She also reviewed the components of a tapered pay plan associated with the qualifications required of each position. She stated HR Answers also recommended the district pay all non-exempt, (overtime eligible) full-time employees on an hourly rate rather than a monthly rate. She stated the district's positions have been slotted based on internal equity and external market. Theresa stated it is anticipated the plan will be implemented in April 2014, and the cost to make the change is estimated at less than \$30,000 per year. She stated that HR Answers also provided information regarding executive level employees working on contract. She reviewed the process for developing contracts including legal counsel review. Don Horton explained how the contracts with executive staff will improve the process in the event a change in leadership is desired. Theresa stated that the evaluation of employee benefits has not been completed and will be finished after the implementation of the pay plan. She stated the pay plan implementation will be by least cost. She added the HR Answers recommendations regarding benefits will be considered by the Employee Relations Committee that will in turn make recommendations to the Benefits Committee, which will be

followed by consideration of the Budget Committee and adoption by the board. Scott Wallace asked if there is a lot of overtime associated with non-exempt employees. Pat Erwert stated that is managed by scheduling of hours, and managers and supervisors receive updates from payroll to assist with managing overtime hours.

Capital Improvement Plan Prioritization

Michelle Healy presented the proposed 5-Year CIP. She reviewed how the Plan is created based on the needs assessment of the community conducted through formal surveys and public outreach. She stated the level of service targets, established in the Comprehensive Plan, is considered in creating the CIP and it is also important to consider demographic changes in the community and geographic distribution. She noted there may be opportunities to coordinate with other community projects to meet goals for the larger community. She cited past planning efforts such as the trails plan that have been identified as important to the community. Michelle stated in addition to the needs assessment there has been prioritization work done by the board over the years that the CIP needs to maintain. She stated funding availability also influences the CIP, and we want to be flexible to take advantage of opportunities as they are presented. Michelle briefly reviewed the status in meeting the targeted levels of service in each of the project types: community parks, neighborhood parks, regional parks, and trails.

Matt Mercer explained how the level of service standards for facilities other than parks was created to address the recreation facilities identified in the CIP. He stated this work was also based on surveys and needs assessment for facilities. He reviewed the methodology and explained how service categories were identified based on the relative level of community need expressed for the various facilities. He stated the current level of service was defined by the percentage of households with needs met at greater than 50%. He also explained a moderate need is set at 40%, high need at 60% and highest need 80%. He shared a graph demonstrating the met needs for existing recreation facilities and stated that based on our standards and survey results, indoor fitness and weight rooms are facilities we should be focusing on. He cited the lowest met need facilities as an indoor walking/running track, ice-skating rink, gymnasium, and whitewater play park. He noted the youth baseball/softball fields, and adult softball/baseball fields were fairly low community needs, resulting in a lower target level of service and a high met need. Matt reviewed historical need/unmet need for various facilities such as off leash parks, swimming and fitness facilities and noted there is still a growing unmet need for fitness facilities. The board and staff also discussed pickleball courts and skateparks in terms of need/unmet need. Michelle noted that this information helps to recognize where we should be partnering with groups to provide facilities, as there is a need, but perhaps the district isn't investing in them 100% and we look for other funding. Don Horton noted that board policy is also a factor in determining the appropriate level of met need in considering prioritization of facility needs. He also explained that staff evaluates how facilities are being used to ensure we do not overbuild which has happened in other districts. He stated it would be appropriate to conduct a survey upon completion of the bond projects to assess met/unmet need to plan for the five years following.

Michelle then presented the 2014-15 Proposed 5-Year CIP and identified new categories for park development agreements, asset management projects, and a category for redevelopment

projects. She explained the asset management projects require district resources and are important to identify in terms of discussing priorities. She noted the total project cost estimates are generated with a number of unknowns such as engineering and design that are refined over the years as we get into the project and develop specific costs. She added that current year project expenditures are not included in the spreadsheet. The board and staff discussed the process for setting project budgets and the board's participation in the process through approval of contracts and changes in project scope as well as the CIP and budget annually. Michelle reviewed additions and changes to the proposed CIP community parks category including a change in funding for First Street Rapids from bond funds to SDCs; Larkspur Park expansion to year five of the plan to be done in combination with the senior center expansion; Pine Nursery projects including projects anticipated to be completed in the current year as well as Phase 3 & 4 projects; southeast community park land acquisition and development. She explained costs associated with the neighborhood parks category including land acquisitions and park design and development, and funds identified for Canal Row, Sunset View and Rock Ridge parks. Michelle briefly reviewed park development agreement projects including Discovery Park, Trap Club property and Boyd Park. She explained funding needs for components of the regional parks category specific to Riley Ranch and Shevlin Park including master planning and trail development. She reviewed elements of the trails category and noted the Deschutes River Trail consists of 11 different segments involving a number of unknowns. She briefly explained changes to the recreation facilities for Simpson Pavilion, the Colorado safe passage, senior center phase one, and a natural resource center in Shevlin Park. Michelle also reviewed elements of the redevelopment projects for Hillside and Juniper parks. Pat Erwert reviewed asset management projects covering accessibility improvements, a solar panel system at the district office, replacement of the flat roof at JSFC, accessibility for bleachers at Ponderosa Park, replacement of the pedestrian bridge at Farewell Bend Park including safety improvements, the Pioneer Park restroom, major maintenance and repair at JSFC, an outdoor pool cover at JSFC and Hollinshead Barn buildings/accessibility. Don explained the asset management plan provides an outlook on when all major capital assets need to be replaced and the plan was created to budget about the same amount of money every year much like a contingency to address major replacement and rehabilitation projects. Lindsey stated the projects assigned to the asset management plan are those projected to cost a minimum of \$50,000. Scott Asla expressed his concern around building the parking lot at the Pine Nursery and not including lights. Don stated this would be better addressed in a project scope that staff will be bringing to the board very soon.

Lindsey Lombard shared a spreadsheet identifying the bond projects with associated funds spent in last fiscal year, the amounts estimated to spend in the remainder of this fiscal year and the amounts estimated to be spent over the next two years. She reviewed completed acquisitions including Riley Ranch and Larkspur Park addition. She identified bond resources remaining at the end of this fiscal year and projections for spending of bond funds on the various projects. The board and staff discussed the anticipated off-site improvements for the Simpson Pavilion in relation to anticipated transportation infrastructure associated with OSU-Cascades and an anticipated transportation study encompassing the west side. Don Horton explained that staff is expecting to request a modification from the city regarding a special use permit for the Simpson site and required off-site improvements.

Lindsey shared a spreadsheet addressing general fund capital commitments and explained the information is provided to address how it aligns with the projected available funding. She reviewed capital commitments for the asset management plan, potential phase two of the senior center expansion and JSFC debt service. She also reviewed projected available capital funds from additional property tax revenues, current senior center phase two reserves, remainder of repayment from SDC funds for Riley Ranch purchase, JSFC debt service, projected remaining undesignated capital funds available at year-end, and projected annual amount available for capital project funding. Lindsey explained the information presented is based on assumptions and projections. She stated that general funds for major capital projects, outside of taking care of asset management, is going to be significantly impacted.

Unfunded Potential Capital Projects

Lindsey Lombard shared a list of unfunded capital projects including speculated cost estimates. Don Horton identified the top three projects as those the district needs to find a way to do within the five-year time period: Bend Senior Center Phase II, Park Services Shop Complex and Mirror Pond siltation project. He noted discussions regarding saving money for the senior center project and recommended a board discussion about borrowing funds for the project. He stated a seven or eight-year timeframe is anticipated to save the funds. He shared his concerns regarding increased construction costs during that period of time. Don stated the district's shop complex is at capacity and with the addition of parks, staff and anticipated community growth; we need to consider how we will be able to continue to take care of what we have. He stated he has given consideration to funding the shop complex by selling the current facility and surplus property. He added the project will require additional study to determine if a single shop facility and/or satellite locations will be the answer. He stated the Mirror Pond project is going to take partnerships and possibly a bond measure. He stated this is a project that needs to happen within the next five years. Don briefly described other projects on the list including the Mirror Pond pedestrian bridge, JSFC indoor pool tank replacement, redevelopment of Sawyer and Skyline Parks, Simpson site community recreation center, Drake Park plaza, restoration of the river bank at Pacific Park, a boat house at Riverbend Park, bull build-out of Pine Nursery, additional land acquisitions at Juniper Park, the addition of a changing room at Aspen Hall, redesign of Brandis square, repurposing of the fire hall at Big Sky, and a future skate park. The board and staff discussed the senior center expansion project. Dan Fishkin stated he needs more evidence from the community about its priorities and expressed concern for building something that is 100% subsidized. Scott Wallace stated that we need to determine what we can accomplish with phase one at the senior center and give consideration to how things develop at the Simpson site relative to OSU-Cascades' needs. He stated he is not comfortable with moving forward on borrowing in the next two months. Ted Schoenborn stated that he is comfortable with phasing the senior center project, although it makes sense to borrow and complete the expansion as one project. Dan asked about the feasibility of borrowing to build the Simpson site recreation center and create a master plan for the full site. Lindsey stated that operational costs and the projected population won't support a \$30 million facility at Simpson. Don recommended the board schedule an in depth discussion about indoor recreation facilities to address their concerns and priorities. Scott Wallace noted that skate parks need to be considered in the five-year window. The board and staff discussed a

moveable skate park and necessary site planning. Craig Chenoweth suggested the timing of the park services complex could be considered in terms of OSU-Cascades owning adjacent property and the possibility of the sale of the current complex site to the university. Ted asked about the sale of surplus properties and if Eastgate is being considered. Don suggested the board consider selling Tillicum Park. The board and staff determined that further discussion is needed regarding indoor recreation facilities, sale of the park services complex site and Tillicum Park, the senior center expansion and funding strategies and operational costs for the unfunded projects.

Business Operations in Parks and Facilities Policy

Jan Taylor presented a proposed Business Operations in Parks Policy for board discussion. She recounted the activities that have been occurring in district parks and noted that current district rules and regulations do not allow the sale of merchandise or services or the operation of concessions on district property without express permission of the district. She reviewed the board’s previous action adopting an administrative policy and explained staff is proposing an amended policy to more clearly define the types of business operations to be allowed and a process for approving those operations. She added the board is asked to review the amended policy to ensure the operations are in line with board intentions. She noted that she has been working with city staff to define a policy to manage street vendors adjacent to district facilities and city properties. The board and staff discussed the types of operations that will be allowed, length of contractor agreements, legal review and insurance requirements. It was determined the policy would be presented for further board review on January 21.

Good of the Order

Ted Schoenborn noted the Bend 2030 Forum with the governor is scheduled for the same evening as the next board meeting. The board reached consensus to conduct the January 21 meeting beginning at 12:00 noon in order to attend the Bend 2030 event.

The workshop was concluded at 5:10 pm.

Prepared by,

Paula Lowery
Executive Assistant

Scott Wallace, Chair

Dan Fishkin, Vice-Chair

Ted Schoenborn

Scott Asla

Craig Chenoweth