

**Bend Metro Park & Recreation District
Board of Directors
Executive Session & Regular Meeting
Minutes
June 3, 2014**

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

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

LEGAL COUNSEL: Neil Bryant.

MEDIA: None.

VISITORS: Keith Scott, Mike Lovely and Steve Eichelberger.

REGULAR MEETING

Chair Scott Wallace called the regular meeting to order at 6:10 pm and recessed the meeting to conduct an executive session pursuant to ORS 192.660(2)(e) for the purpose of discussing real property transactions. The executive session was concluded 7:06 pm.

Chair Scott Wallace reconvened the regular meeting at 7:08 pm.

VISITORS

Keith Scott addressed the board and commended the district for bringing on additional staff to maintain the parks and safety of users. He stated he is in favor of passing the budget.

CONSENT AGENDA

Minutes: April 15, 2014, Work Session & Regular Meeting

Acceptance Ponderosa Park Property Transfer

Ted Schoenborn moved to approve the consent agenda. Scott Asla seconded the motion. Scott Wallace, Dan Fishkin, Scott Asla, Ted Schoenborn and Craig Chenoweth voted aye. Motion passed.

Adopt Resolution No. 363 – Appropriation Adjustments FY 2013-14

Lindsey Lombard stated that a transfer of appropriations in the 2013-14 budget is required to provide for an unexpected expenditure. She explained the recreation services department experienced unforeseen growth in programs over all which is projected to increase expenditures in materials and services beyond the original adopted budget, and that necessitates a transfer of \$120,000 from the Operating Contingency to the Materials and Services in the Recreation Services Fund. She noted that the \$1,625,023 was appropriated in materials and services at the time the 2013-14 budget was adopted and the transfer would increase that category budget to \$1,745,023. Matt Mercer explained aside from facility operating expenses at Juniper and the senior center the largest expense in materials and services is contract services that cover various programs such as youth enrichment and youth

sports. He noted it is a good position to be in as it demonstrates a healthy growth in participation. Lindsey explained the mechanics of the transfer of funds and reminded the board that during this year's budget process staff recommended abolishing the Recreation Services Special Revenue Fund and transferring the remaining balance to the General Fund. Scott Asla moved to adopt Resolution No 363 Approving Appropriation Adjustments for the Fiscal Year 2013-14. Craig Chenoweth seconded the motion. Scott Wallace, Dan Fishkin, Scott Asla, Ted Schoenborn and Craig Chenoweth all voted aye. Motion passed.

Adopt Resolution No. 364 Abolishing the Recreation Services Special Revenue Fund

Lindsey Lombard stated the Recreation Services Special Revenue Fund was created in 2002-03 to reflect the Recreation Services Departments business-unit style of operating and separately account for their operations. She stated that staff has determined the fund has outlived its usefulness and the fund should be abolished and recreation services operations accounted for in the General Fund. Lindsey explained the change will comply with best budgeting practices of maintaining only those funds required to meet legal and operating requirements, provide greater budgetary flexibility and reduce the amount of budgetary inter-fund transfers. She noted the Recreation Services Department will continue to operate under the business-unit management style, and be held to the same cost-recovery expectations. She explained board approval of Resolution No. 364 would abolish the fund and transfer any remaining balance to the General Fund. Scott Wallace clarified this step would simplify controls, tracking and accounting. Lindsey stated that for accounting purposes it will be available as a separate fund, but for budgeting and financial statement reporting it will be rolled into the General Fund. Ted Schoenborn moved to adopt Resolution No. 364, Abolishing the Recreation Services Special Revenue Fund and Transferring the Remaining Balance to the General Fund, effective June 30, 2014. Dan Fishkin seconded the motion. Scott Wallace, Dan Fishkin, Scott Asla, Ted Schoenborn and Craig Chenoweth voted aye. Motion passed.

Adopt Resolution No. 365 – Facility Reserve Fund and Equipment Reserve Fund

Lindsey Lombard reviewed the history of the creation of the Facility Reserve Fund and Equipment Reserve Fund. She explained the funds were created to better account for capital projects and capital equipment, and build reserves for future funding. She stated she believes this approach has worked very well and that past and current board members have shared their support of this practice. She stated the adoption of the funds included a 10-year review to evaluate the use and determine whether the funds should continue to exist. She recommended the continued use of these funds. Dan Fishkin moved to adopt Resolution No. 365 Reviewing and Continuing the Facility Reserve Fund and the Equipment Reserve Fund, effective July 1, 2014. Ted Schoenborn seconded the motion. Scott Wallace, Dan Fishkin, Scott Asla, Ted Schoenborn and Craig Chenoweth voted aye. Motion passed.

Resolution No. 366 Adopting Five-Year Capital Improvement Plan Summary 2015-19

Lindsey Lombard shared copies of the 2015-19 Capital Improvement Plan noting three changes have been made from the version included in the approved budget document. Michelle Healy referred to the Pine Nursery Phase 3 project and noted an increase from \$800,000 to \$830,000 to develop a small dog off leash area as an expansion to the existing off leash area that would be funded through SDCs. She identified a change for Discovery Park increasing the funding from \$3 million to \$3.3 million to address increases to road costs and additional costs related to

the park. She stated that staff has been working with the developer and suggested value-engineering ideas to reduce that amount and she anticipates that will result in a cost of \$3.1 to \$3.2 million. She added that staff will be coming back to the board in the coming months with refined cost estimates that will be agreed upon as part of the development agreement. Michelle identified the Alpine Park Trailhead that was originally estimated at \$75,000, the amount provided by the developer ten years ago to create the trailhead. She explained that as a result of design work and the addition of an ADA path, the cost is projected to be higher and the proposed \$140,000 is needed to do the full project. Lindsey noted the addition of the definition of alternative funding to the document. Dan Fishkin asked how the nearly \$400,000 additional expense is reconciled with the budget process. Lindsey explained there is an amount within the SDC fund that is appropriated every year, but unidentified to a specific project. She stated it is identified as Improvement Fee Projects that is appropriated, but not designated for a specific project. She added that historically the district has carried a balance forward in this category and there is approximately \$2 million in that line item in the 2014-15 budget. She recommended the funding for the additional \$400,000 needed for projects come from that line item. She added that if these funds weren't spent on these projects, they would be applied to other SDC eligible projects at a future date. Dan expressed concern regarding limiting the increases on projects such as those identified as changes to the CIP. Don explained earlier discussions regarding Discovery Park and efforts to keep the cost at \$3 million. He stated the district agreed to pay half of the cost of the road 11 years ago and costs are coming in higher. He added that significant efforts are being made to value engineer the project including the developer's construction administration cost. He stated we could hold to the original budget, but that would mean eliminating an amenity such as the playground or the shelter and he does not feel that is what the community expects us to do. Scott Wallace clarified the funds are appropriated on the SDC revenue projections. Ted Schoenborn stated that he is comfortable with this approach and he trusts the staff to make strategic decisions to stay within the bounds of the budget. Dan stated that these discussions are helpful for him to understand how the process works, and it is his goal to stay accountable and within budget, and as long as we are doing that in our checks and balances, and appropriations and allocations that is ultimately the goal. Ted Schoenborn moved to adopt Resolution No. 366 adopting the Five-Year Capital Improvement Plan Summary for Fiscal Years Ending 2015-19. Craig Chenoweth seconded the motion. Scott Wallace, Dan Fishkin, Scott Asla, Ted Schoenborn and Craig Chenoweth voted aye. Motion passed.

Public Hearing: Adoption of 2014-15 Budget and Imposing and Categorizing Taxes

Chair Scott Wallace convened a public hearing to receive comment on the FY 2014-15 Budget. As no comments were offered the public hearing was closed.

Lindsey Lombard stated the board is asked to adopt the 2014-15 Budget, and impose and categorize taxes by resolution. She stated the budget presented has not changed since the approval by the budget committee and explained the board has the authority to change the approved budget by up to 10% within any fund. She stated that staff recommends adoption of the approved budget. Scott Asla stated that Lindsey, staff and the Budget Committee did a wonderful job and he complimented the budget presentation. Scott Wallace asked how the amount appropriated for bond projects is calculated. Lindsey explained how that is tied to the assessed rate that is determined by the county assessor that resulted in 20.4 cents per thousand this year to pay the debt service. Dan Fishkin moved to adopt Resolution No. 367

adopting the budget and making appropriations for fiscal year 2014-15. Ted Schoenborn seconded the motion. Scott Wallace, Dan Fishkin, Scott Asla, Ted Schoenborn and Craig Chenoweth voted aye. Motion passed. Craig Chenoweth moved to adopt Resolution No. 368 imposing and categorizing taxes for fiscal year 2014-15. Scott Asla seconded the motion. Scott Wallace, Dan Fishkin, Scott Asla, Ted Schoenborn and Craig Chenoweth voted aye. Motion passed. Dan Fishkin complimented district staff and the Budget Committee for their participation in the budget process.

Resolution No. 369 Adopting Revised SDC Fee Schedule

Lindsey Lombard explained in accordance with the district's SDC Methodology the SDC fee is considered annually for adjustment based on the cost of land acquisition and park development and construction. She stated the land acquisition cost is based on the real market value which saw an increase this year of 8.52%. She stated the Engineer News Record, US 20-City Construction Cost Index is used to adjust the construction costs. She stated there was an increase this year of 2.26%. Lindsey also explained the methodology directs an adjustment based on what percent is based on land costs versus what percent is based on construction costs in the fee. She stated this year the fee is based on 72% construction and 28% land cost. She stated the total adjustment factor is 4% resulting in a fee schedule of a single-family fee of \$6,013, multi-family fee of \$5,651 and guest room or hotel/motel/ADU/dorm fee of \$2,425. She noted that during the previous four years the board had adopted an annual step up in the fee along with an inflationary or deflationary increase in accordance with the board's response to the recession. She noted that during those years the fee was deflated, and did not reach the full SDC amount set by the methodology. Ted Schoenborn moved to adopt Resolution No. 369 setting the district's System Development Charge fee schedule contained therein effective July 1, 2014. Dan Fishkin seconded the motion. Scott Wallace, Dan Fishkin, Scott Asla, Ted Schoenborn and Craig Chenoweth voted aye. Motion passed.

Resolution No. 370 Special District Insurance Services Trust Joinder to Trust Agreement

Dave Crowther explained the purpose of the resolution is to enter into a joinder agreement with Special District Insurance Services (SDIS). He reviewed the history of insurance services for special district's resulting in Special Districts Association of Oregon (SDAO) forming a pool to offer insurance at reasonable rates to their members. He stated the district has participated in the insurance services since 1985 due to the broad coverage and pricing offered. He stated that as things have changed over the years with tax code and business practices and it was determined that there should be more separation between SDAO and SDIS through the creation of new by-laws resulting in a joinder agreement. He explained that SDIS will contract insurance services with SDAO. Scott Asla moved to adopt resolution No. 370 to adopt the Joinder to Trust Agreement with Special District Insurance Services Trust, and to authorize the Executive Director to execute the Agreement. Craig Chenoweth seconded the motion. Scott Wallace, Dan Fishkin, Scott Asla, Ted Schoenborn and Craig Chenoweth voted aye. Motion passed.

EXECUTIVE DIRECTOR'S REPORT

Don Horton reported on financial difficulties the Boys and Girls Club is experiencing. He stated that he and Matt had met with the board chair and Matt will be reviewing their budget and operations to determine if we can advise them. He stated that the Boys and Girls Club property

insurance is through SDAO, paid by the district which is reimbursed by the club. He stated the club hasn't been able to make all of this year's payment yet and he would like to propose that the district will cover their remaining cost for the year and the 2015 premium, amounting to approximately \$6,270. Dan suggested that it be documented in such a way that this waiver does not constitute a waiver of any of the other terms under the lease or constitute a continuing waiver going forward. He stated he thinks it is the right thing to do and we want to do everything we can to try and help them. Don stated the club needs to raise \$700,000 a year to keep their doors open which constitute over 65% of their total budget and that is hard to do. He stated that a lot of long time donors are beginning to view the club as an entitlement program and they are withdrawing their support. He cited a number of challenges faced by the club and stated their board will be considering some substantial changes to their business model. The board reached consensus to cover the insurance costs as proposed.

Don Horton referred to a letter provided in the board folders to Earl Williams regarding his statements on the recall petition. He stated he doesn't know the status of the petition or whether Earl is collecting signatures.

Don Horton reminded the board of an upcoming public meeting regarding the Alpine Trailhead on June 12 beginning at 5:30 at the district office.

Don Horton announced that Norm Ziesmer is retiring June 30 and a party has been scheduled for June 26 at Ponderosa Park beginning at 5:30 pm.

Matt Mercer announced the Hershey Track Meet is scheduled for June 4 and noted this will be the last event of this type sponsored by Hershey. He stated that staff will be looking at providing a local level track and field event to replace the Hershey Track Meet. Craig Chenoweth suggested a series of all-comers track meets throughout the summer similar to what Tualatin Hills offers.

Don Horton stated a board tour of property being considered for acquisition needs to be scheduled. The board requested that a doodle poll be created to schedule the tour.

Don Horton reported the Simpson pavilion is nearing the end of the design and development process and it is anticipated the board will receive information regarding the design and cost estimate in two weeks. He added that staff will be meeting with Bend Ice to ensure they understand where we are going with the project.

Don Horton reported on the Shevlin Park Master Plan public process and suggested the board participate. He stated a community-wide survey would be conducted and site visits are planned; interviews with stakeholders, neighbors and user groups will be conducted; open houses will be planned; and a citizen advisory committee will help to create the plan. Dan stated that he would like to avoid information paralysis and once the information is collected decisions are made quickly using our best judgment and we move ahead with implementing them. He stated there is a certain fatigue within the community of the Mirror Pond process and he would like this project be much more streamlined. Don noted that the proposed

process is more robust than what is usually applied to projects, but he feels it is important to involve the whole community due to its attachment to the park.

Don Horton reported the pickleball courts were packed on opening day and there will be opportunities for the public to use the courts and to learn how to play pickleball. Matt Mercer noted there is still landscaping being completed at the park in anticipation of the Senior Games competition. He stated the demographic is much broader than expected. He cited the operational agreement with the Bend Pickleball Club, and stated they are working on dispelling the community perception that if you are not a member of the club you can't use the court. He stated the club is running and operating organized group play with registration for court time, and the courts are open for drop-in play in the afternoon. He stated the club is also performing court maintenance and they have a team set up to conduct daily cleaning of the courts. He stated the district will be providing internal pickleball classes and the first three weeks of sessions are full.

Matt Mercer reported on recent naturehood projects at Bear Creek and Ponderosa schools. He stated the students from Ponderosa created an app that is available to the public with information regarding pond life, plant species and animals found at the park. He stated they are using that as a classroom experience. He stated that Bear Creek received a small grant and created a mural on the wall at the Ponderosa playground and they have created a butterfly garden and will be creating interpretive signs in Spanish and English. He noted these programs have been created in partnership with Deschutes Children's Forest, the schools and the district. Don stated this partnership is really beginning to develop and could result in something that is very special for the kids in this community.

As there was no further business the meeting was adjourned at 8:58 pm.

Prepared by,

Paula Lowery
Executive Assistant

Scott Wallace, Chair

Dan Fishkin, Vice-Chair

Ted Schoenborn

Scott Asla

Craig Chenoweth