



Bend Metro Park & Recreation District

March 5, 2019

# Board of Directors

## Agenda and Reports

[www.bendparksandrec.org](http://www.bendparksandrec.org)



*play for life*



## **Our Vision**

To be a leader in building a community connected to nature, active lifestyles and one another.

## **Our Mission**

To strengthen community vitality and foster healthy, enriched lifestyles by providing exceptional park and recreation services.

## **We Value**

Excellence by striving to set the standard for quality programs, parks and services through leadership, vision, innovation and dedication to our work.

Environmental Sustainability by helping to protect, maintain and preserve our natural and developed resources.

Fiscal Accountability by responsibly and efficiently managing the financial health of the District today and for generations to come.

Inclusiveness by reducing physical, social and financial barriers to our programs, facilities and services.

Partnerships by fostering an atmosphere of cooperation, trust and resourcefulness with our patrons, coworkers and other organizations.

Customers by interacting with people in a responsive, considerate and efficient manner.

Safety by promoting a safe and healthy environment for all who work and play in our parks, facilities and programs.

Staff by honoring the diverse contributions of each employee and volunteer, and recognizing them as essential to accomplishing our mission.



**District Office | Don Horton, Executive Director**

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**BOARD AGENDA COMMUNICATION**

<b>AGENDA DATE:</b>	March 5, 2019
<b>SUBJECT:</b>	Recreation Report-Expanded Afterschool Program
<b>STAFF RESOURCE:</b>	Sue Boettner, Recreation Manager Becky Curfew, Recreation Coordinator
<b>PREVIOUS BOARD ACTION:</b>	None
<b>ACTION PROPOSED:</b>	None – for information only
<b>STRATEGIC PLAN:</b>	
<b>Theme:</b>	Community Connection
<b>Objective:</b>	Respond to User Expectations

**BACKGROUND**

The change in the Bend LaPine Schools schedule next year requires rethinking the District's before and after school offerings and particularly the Kids Inc. program. The shift to an earlier start and finish time will result in changing family needs for before and after school care. District staff has been working with Bend LaPine Schools since the schedule change was announced to understand and plan for these changing needs. This has included analyzing the current use of the program and conducting a survey of Bend LaPine School families. As a result of this work, we anticipate much less need for before school care and higher demand for after school care. With the afterschool program already full at many schools with significant waiting lists, increasing capacity has become the primary focus.

In January, the District began testing a larger capacity program with additional program space provided by BLS at Elk Meadow and Ponderosa. This pilot program allows both agencies to work out challenges related to increased capacity, including the impact on facilities and program design, before implementing at all schools. The program has proven successful so far, and has cleared the wait list at both schools.

District staff will provide a more detailed report on future plans for before and after school programs next year during the Board Work Session.

**BUDGETARY IMPACT**

The budget impacts are not fully known yet, but will be included in the Fiscal Year 2019-20 budget proposal.

**STAFF RECOMMENDATION**

None, for information purposes only.

**MOTION**

None

**ATTACHMENT**

None

<b>BOARD AGENDA COMMUNICATION</b>
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<b>AGENDA DATE:</b>	March 5, 2019
<b>SUBJECT:</b>	Needs-Based Assistance Program Update and Recommendations
<b>STAFF RESOURCE:</b>	Matt Mercer, Recreation Director Sue Boettner, Recreation Manager Amanda Jamison, Outreach Coordinator
<b>PREVIOUS BOARD ACTION:</b>	April 3, 2018 - Approved Needs-Based Assistance Plan for Fiscal Year 2018-19 February 19, 2019 – Approved Revised User Fees and Charges Policy
<b>ACTION PROPOSED:</b>	For discussion only. Board approval requested during Consent Agenda.
<b>STRATEGIC PLAN:</b>	
Theme:	Community Connection
Objective:	Respond to User Expectations
Initiative:	Ensure access to critical recreation programs and services for those with limited ability to pay

**BACKGROUND**

The Needs-Based Assistance Program is the primary way in which the District facilitates access and participation in recreation programs for those with limited financial resources. The Board approved a revised User Fees and Charges Policy on February 19, 2019 which incorporated the previous stand-alone Needs-Based Assistance Policy. The policy establishes the program goals, priorities and basic guidelines. The policy is implemented through an annual Board-approved Needs-Based Assistance Plan which is then funded through the budget process.

The work session discussion will begin with a report on progress of the current fiscal year's Needs-Based Assistance Program, including trends from previous years and comparisons with other agencies. Staff will then present the recommendations for the Fiscal Year 2019-20 Needs-Based Assistance Plan. Staff will also share current and planned outreach and communication strategies related to the Needs-Based Assistance Program and scholarships.

A copy of the approved 2018-19 Needs-Based Assistance Plan and the proposed 2019-20 plan are attached. The major changes are summarized below:

**Recreation Scholarship Program**

- High-need eligibility level increased from 100% of Federal Poverty Guidelines to 130%.
- Application and income verification frequency decreased from 6 months to 12 months.

- Other assistance programs including SNAP, TANF and Oregon Health Plan accepted in place of independent income verification.
- Complementary program support increased from 25% to 50% for moderate need.

### **Targeted Low Income Programming**

These new or expanded programs target low income youth, most or all of whom would normally qualify for the Recreation Scholarship Program. As the primary purpose of these programs is to serve low income, underserved populations, staff is recommending that the direct tax subsidy required to support these programs be funded through the Needs-Based Assistance Program rather than through regular recreation program budgets. These programs are also partially supported by contributions and grants from partners. See proposed 2019-20 plan for details.

### **Funding**

The funding plan remains similar to past years with the exception that staff proposes that annual sponsorship and advertising revenue be dedicated to funding the Needs-Based Assistance Program. In the past, this revenue remained in the facility or divisional budget where it was generated. The change will have no net effect on the recreation department cost recovery as the funds will be generated and used within the recreation budget. Staff believes that this is a better dedicated use of sponsorship dollars and will help promote future sponsorship opportunities.

### **BUDGETARY IMPACT**

\$266,300 was budgeted for the Needs-Based Assistance Program in Fiscal Year 2018-19 to support the Recreation Scholarship Fund. Staff estimates that less than \$200,000 of these funds will be used this fiscal year. The proposed plan for fiscal year 2019-20 will require an estimated \$300,000 to fund, which includes \$236,000 for the Recreation Scholarship Fund and \$64,000 for the targeted low income programs. Funding sources proposed include approximately \$139,020 in General Fund support, \$63,480 from dedicated cell phone tower lease proceeds, \$45,000 in sponsorship and advertising revenue, \$20,000 from the Bend Park and Recreation Foundation, and \$32,500 in grant/partner contributions.

### **STAFF RECOMMENDATION**

Staff recommends that the Board of Directors approve the proposed Needs-Based Assistance Plan for fiscal year 2019-20 in the Consent Agenda and direct staff to include the funding for the plan in the Fiscal Year 2019-20 budget proposal.

### **MOTION**

***None – Motion is in the Consent Agenda.***

### **ATTACHMENT**

Proposed Needs-Based Assistance Plan for Fiscal Year 2019-20  
Approved Needs-Based Assistance Plan for Fiscal Year 2018-19



## **Needs-Based Assistance Plan – FY 19-20**

### **Eligibility Standards**

1. High Need: Households whose incomes are at or below 130% of the current Federal Poverty Guidelines are eligible for high needs assistance levels.
2. Moderate Need: Households whose incomes are at or below 185% but above 130% of the current Federal Poverty Guidelines are eligible for Moderate Needs assistance levels.

### **Application and Qualification Process**

1. Households must complete an application and provide documentation to determine eligibility annually. Applications may be submitted at any time. If circumstances change within the year, households may submit more current documentation for review.
2. The following documentation will be accepted to demonstrate eligibility:
  - a. Eligibility for State and Federal assistance programs that correspond with District income guidelines (SNAP, TANF and Oregon Health Plan) as demonstrated by eligibility letter, or
  - b. Copy of most recent Federal income tax returns (1040). Alternates if unavailable: SSA/SSI Benefit Statements, paycheck stubs, etc.)
3. Designated staff will review applications, determine eligibility and contact the applicant within five business days of receiving application to inform them if they are eligible for assistance.
4. The program administrator will consider special circumstances (i.e. lack of income documentation, homelessness, excessive medical expenses, recently changed employment status, etc.) when determining eligibility, and may make exceptions to extend Recreation Scholarship eligibility to those who otherwise may not qualify. The Recreation Director will have final approval authority for eligibility for the Recreation Scholarship assistance.

### **Registration Process**

1. Individuals must be approved for assistance before registering.
2. Participants are responsible for paying the remainder of the fee at the time of registration.
3. There are currently no limitations on the number of programs that people may register for; however, limitations may be put in place should requests exceed available funds.



## **Recreation Scholarship Assistance**

The following charts summarize the level of assistance provided to individuals through the Recreation Scholarship Program for most programs in the 2019-20 Fiscal Year.

**Table 1: Recreation Program Assistance Levels**

Program Classification	Core Programs		Complementary Programs	
Need Level	High	Moderate	High	Moderate
Disabled	75%	50%	50%	50%
Youth (18 & Under)	75%	50%	50%	50%
Senior (65+)	75%	50%	50%	50%
General Adults	n/a	n/a	n/a	n/a

**Table 2: Recreation Facility Pass Assistance Levels**

	Facility Passes	
Need Level	High	Moderate
Disabled	50%	25%
Youth (18 & Under)	50%	25%
Senior (65+)	50%	25%
General Adults	50%	25%

### **Definitions/Explanations**

1. The percentages shown in the charts represent the portion of the regular fee that is provided through the Recreation Scholarship Program.
2. Disabled is defined as individuals with permanent physical or developmental disabilities, including those qualifying for long-term disability assistance. Documentation may be required in some cases (i.e. long-term disability award letter or SSI).
3. Core and Complementary program classifications are identified through the Recreation Department's Program Assessment Tool and coded appropriately in RecTrac.
4. Some programs and services are not eligible for Recreation Scholarship assistance. This includes programs identified as specialized programs in the Program Assessment Tool (ex. personal training, advanced instruction), private services (ex. facility rentals, concessions) and low cost programs already heavily subsidized (ex. Senior Center social programs).
5. Recreation Scholarship assistance for programs offered through independent contractors is limited to 25% for both high and moderate need households unless the independent contractor opts in to match the District in which case assistance is 50%.
6. The Recreation Scholarship Program does not apply to the Out-of-District portion of the fees. Non District residents must pay the full Out-of-District fee; however, they are eligible for scholarship assistance on the In-District fee.

### **Targeted Programs for Low Income Families**

The following programs serving low income populations are funded fully or partially by Needs-Based Assistance.

1. **Housing Works Summer Program.** The District will provide a summer day camp program similar to Operation Recreation for children ages 6-11 years old at the Ariel Glenn housing community. Housing Works is providing the facility at no charge and contributing \$15,000 to the cost of operating the program. The program will be available to residents of Ariel Glenn, Ariel South and Healy Heights at no charge. The program will require an estimated \$33,000 in Needs-Based Assistance funding to cover the direct costs of providing the program.
2. **Discover the Outdoors.** The District will provide a van-based program to provide youth the opportunity to experience many of the outdoor opportunities that the area has to offer. Eight, one-week, all-day sessions will be operated serving a different group of youth each session. Youth are identified through outreach efforts by District staff and community partners. The program is partially supported by a US Forest Service/Children's Forest of Central Oregon Youth Engagement Strategy grant in the amount of \$5,000. The program will require an estimated \$9,000 in Needs-Based Assistance funding to cover the direct costs of providing the the program.
3. **Kids on the Move.** The District will provide a free afterschool program at two elementary schools with lower socioeconomic populations. The program is conducted all outdoors and provides opportunities for kids to learn, move and play in nature. The program is largely supported by \$7,500 in contributions from the Children's Forest of Central Oregon. The program will require an estimated \$2,000 in Needs-Based Assistance funding to cover the direct costs of providing the program.
4. **FAN Voucher Program.** The District will distribute credit vouchers to FAN advocates serving the various Bend area schools. The vouchers allow participants to register for programs at no fee. The vouchers are distributed by the FAN advocates to youth and families who would be unlikely to have the resources to participate in District programs even with a Recreation Scholarship. The Needs-Based Assistance funding requirement for this program is \$10,000.
5. **Days of Play.** The District will offer Days of Play at up to six park sites targeting lower income and underserved neighborhoods. The free weekly, eight-week program offers games, crafts and other recreational activities targeting children 4-10 years old. Bend LaPine Schools provides the summer lunch program at these sites and other community partners participate. The program is partially supported a \$5,000 donation from the Bend Park and Recreation Foundation. The program will require an additional \$10,000 in Needs-Based Assistance funding to cover the direct costs of providing the program.

## **Free and Low Fee Programs and Services**

In addition to individual program participation funded directly through Needs-Based Assistance, the District also provides a variety of free and low cost programs and special events designed to reach all residents. These programs are funded through the Recreation Department Outreach budget and other division budgets. Planned free and low cost programs for 2019-20 include:

- Free Family Nights at JSFC – Swimming, games, crafts and more offered monthly.
- Family Skates at The Pavilion – Low fee family skate opportunities on most Sunday mornings.
- Senior Social Programs – Free and low fee social-oriented programs for seniors at the Bend Senior Center including dances, movies, book clubs, cards, games and more.
- Senior Resource Services – Free education and resource sessions for seniors at the Bend Senior Center offered in partnership with a variety of local agencies.
- Free Community Events – District produced events including 4<sup>th</sup> of July Pet Parade & Old Fashioned Festival, Let's Picnic and Senior Health Fair. This also includes participation in partner events including Discover Nature Days and Festival (Children's Forest of Central Oregon), Learn to Fish Day (ODFW), etc.
- Cancer Survivor Programs – Free yoga and water exercise classes for cancer survivors. Offered in partnership with Tour des Chutes.

## **Funding**

### **1. Funding Requirements**

Recreation Scholarship Fund	\$236,000
Targeted Programs for Low Income Families	<u>\$64,000</u>
Total Requirements	\$300,000

### **2. Funding Sources**

General Fund	\$139,020
Cell Tower Leases	\$63,480
Sponsorships/Advertising	\$45,000
Bend Park and Recreation Foundation	\$20,000
Grants and Partnerships	<u>\$32,500</u>
Total Resources	\$300,000

Additional funding that is not shown in the proposed budget but is distributed in coordination with the Needs-Based Assistance program include:

- Opdycke Fund – Supported by the Opdycke family donations and managed by the Bend Park and Recreation Foundation, this fund supports participants in Therapeutic Recreation programs by directly paying a portion of the participant fees. \$10,000-\$15,000 in funds are expected to be distributed in 2019-20.

- Gap Fund – Supported and managed by the Foundation, this fund provides financial assistance to those who need support above and beyond what the District’s scholarship program provides. These funds can be used to assist with the participant portion of fees after scholarships, equipment needs, and transportation to and from programs. \$1,000-\$2,000 in funds are expected to be distributed in 2019-20.



## Needs-Based Assistance Plan – FY 18-19

The following charts summarize the level of assistance provided to individuals through the Needs-Based Assistance Program for the 2018-19 Fiscal Year.

### Recreation Program Assistance

Program Classification	Core Programs		Complementary Programs	
Need Level	High	Moderate	High	Moderate
Disabled	75%	50%	50%	25%
Youth (18 & Under)	75%	50%	50%	25%
Senior (65+)	50%	25%	25%	n/a
General Adults	n/a	n/a	n/a	n/a

### Recreation Facility Pass Assistance

	10-Visit & Monthly Passes	
Need Level	High	Moderate
Disabled	50%	25%
Youth (18 & Under)	50%	25%
Senior (65+)	50%	25%
General Adults	50%	25%

Reduced Fee access to JSFC and Bend Senior Center is also provided to qualified Medicaid clients through partnership with Pacific Source.

### Definitions/Explanations

1. The percentages shown in the charts represent the portion of the regular fee that is provided through the Needs-Based Assistance Program.
2. Need Level: High need assistance is provided to households whose income is at or below the Federal Poverty Guidelines. Moderate need assistance is provided to households whose income is at or below 185% of the Federal Poverty Guidelines.
3. Disabled is defined as individuals with permanent physical or developmental disabilities, including those qualifying for long-term disability assistance. Documentation may be required in some cases (i.e. long-term disability award letter or SSI).
4. Core and Complementary program classifications are identified through the Recreation Department's Program Assessment Tool.
5. Assistance for programs offered by independent contractors is limited to 25% for both high and moderate need households.

6. Some programs and services are not eligible for assistance. This includes programs identified as specialized programs in the Program Assessment Tool (ex. personal training, advanced instruction), private and enterprise services (ex. facility rentals, concessions), and programs already heavily subsidized (ex. Senior Center social programs).
7. The Needs-Based Assistance Program does not apply to Out-of-District portion of the fees. Non District residents must pay the full Out-of-District fee.

### **Application/Eligibility Process**

1. Households must complete an application to determine eligibility every 6-months. If circumstances change within the year, households may submit more current documentation for review.
2. Verification of Income is required with each application. The preferred verification is a copy of the most recent 1040 Income Tax Return. Other forms of verification that can be considered if a tax return is not available include: Proof of Social Security Benefits (SSA Benefit Statement or SSA – 1099); Proof of disability pay (SSI); Current OHP Verification of Benefits letter; Oregon Trail (food stamps) award letter, etc.
3. Designated customer service staff will review applications, determine eligibility based on the guidelines in the Eligibility Table below and call the applicant within five business days of receiving application to inform them if they are eligible for assistance.
4. The District will accept eligibility letters from approved third parties (ex. Mosaic Medical, Deschutes County). Approved third parties must have income verification guidelines at least equal to the District's and apply the same financial eligibility guidelines.
5. The program administrator will consider special circumstances (i.e. excessive medical expenses, recently changed employment status, etc.) when determining eligibility, and may make exceptions to extend needs-based assistance eligibility to those who otherwise may not qualify. The Recreation Director will have final approval authority for eligibility for the Needs-Based Assistance Program.

### **Eligibility Table**

Household Members	High Need		Moderate Need	
	Annual	Monthly	Annual	Monthly
1	12,140	1,012	22,459	1,872
2	16,460	1,372	30,451	2,538
3	20,780	1,732	38,443	3,204
4	25,100	2,092	46,435	3,870
5	29,420	2,452	54,427	4,536
6	33,740	2,812	62,419	5,202
7	38,060	3,172	70,411	5,868
8	42,380	3,532	78,403	6,534
Each Additional	4,320	360	7,992	666

- High Need is based on the 2018 Federal Poverty Guidelines
- Moderate Need is based on 185% of the Federal Poverty Guidelines

### **Registration Process**

1. Individuals must be approved for assistance before registering.
2. Participants are responsible for paying the remainder of the fee at the time of registration.
3. There are currently no limitations on the number of programs that people may register for; however, limitations may be put in place should requests exceed available funds.

### **Funding**

The estimated funding needed to support the 2018-19 Needs-Based Assistance Plan is \$266,000. The proposed funding sources in the Fiscal Year 2018-19 Budget are:

- General Fund - \$182,820
- Cell Tower Leases - \$63,480
- Bend Park and Recreation Foundation - \$20,000

Additional funding that is not shown in the proposed budget but is distributed in coordination with the Needs-Based Assistance program include:

- Opdycke Fund – Managed by the Foundation, this fund supports participants in Therapeutic Recreation program by directly paying a portion of the participant fees. \$10,000-\$12,000 in funds are expected to be distributed in 2018-19.
- Gap Fund - Also managed by the Foundation, this fund provides financial assistance to those who need support above and beyond what the District's Needs-Based Assistance Program provides. These funds can be used to assist with the participant portion of fees after scholarships, equipment needs, and transportation to and from programs. \$1,000-\$2,000 in funds are expected to be distributed in 2018-19.

### **Free and Low Fee Programs and Services**

In addition to the Needs-Based Assistance Program, the District provides a variety of free and reduced fee programs and special events, many of which are targeted to reach low income and underserved populations. These programs are funded through the Recreation Department Outreach budget and other division budgets with some programs supported partially through sponsorships and partnership with other organizations. Current free and low fee programs and services include:

- Days of Play – Free summer long programming offered in various parks including crafts, games, sports and play for children. Sponsored by Bend Park and Recreation Foundation.
- Kids on the Move – Free afterschool program at two elementary school sites incorporating outdoor play, nature exploration and health. Provided in partnership with the Children's Forest of Central Oregon.
- Discover the Outdoors Camp – Low fee outdoor program designed to connect underserved youth to public lands. Supported by a grant from the U.S Forest Service/Children's Forest of Central Oregon.
- Family Nights at JSFC – Free family event offered one Saturday evenings of each month.
- Family Skates at The Pavilion – Low fee family skate opportunities on most Sunday mornings.

- Cancer Survivor Programs – Free yoga, water exercise and art classes for cancer survivors. Offered in partnership with Tour des Chutes.
- Senior Social Programs – Free and low fee social-oriented programs for seniors at the Bend Senior Center including dances, movies, book clubs, cards, games and more.
- Senior Resource Services – Free education and resource sessions offered in partnership with a variety of local agencies.
- Free Community Events – District produced events including 4<sup>th</sup> of July Pet Parade & Old Fashioned Festival, Let's Picnic and Senior Health Fair and support of partner events including Discover Nature Festival (Children's Forest of Central Oregon) and Learn to Fish Day (ODFW).





for the fee has been lowered by this decision. She also mentioned that level of service has also decreased slightly.

Ms. Bodo said the City collects the SDC fees for the District. Staff has met with the City and County to discuss the impact that any changes may have on their staff as the collectors of the fees. The agencies responded with the following comments:

#### City

- The City staff agrees that all fees should be collected with the City as a one stop shop for builders
- The City expects that changes to the SDC methodology will result in an increase of City staff time if:
  - The methodology includes a tiered approach for residential
  - The methodology includes a nonresidential assessment
- The City prefers to scale by bedrooms for multifamily structures
- The City prefers to not add charges for residential additions
- The City requested that the changes made are not implemented until January 2020, to accommodate new update to their systems.

#### County

- The County expects that changes to the SDC methodology will result in an increase of County staff time if:
  - The methodology includes a tiered approach for residential
  - The methodology includes a nonresidential assessment
- The County identified ways to streamline processes
- The County recommended scaling by square foot for single family residential
- The County preferred tiers over regression

Ms. Bodo shared some of the more recent stakeholder and public feedback on the three following topics:

#### **Project List:**

- Appreciate reduction in project list
- Concern over total project list amount (do not want fee increases)

#### **Residential SDC**

- Appreciate residential tiers
- Consider affordable housing exemption
- Concern over hotel SDC increase

#### **Nonresidential SDC**

- Concern over nonresidential fee
  - competitiveness/affordability
  - Assumptions related to in District vs. out of District employees

Ms. Bodo said that there is still opportunity for public comment on the District website.

Next, Ms. Healy went through the methodology options and asked the Board for their direction on each.

**Nonresidential SDC assessment:** Charge SDC on nonresidential, and does that include neighborhood parks?

She noted that the staff is recommending that this not be added to the methodology. The feedback from the City says this is too difficult and only represents a small percentage of the fees anticipated. The Board felt that this option represented a more equitable approach, but questioned whether the assumed data is correct and really applicable. The Board decided that this is not the direction they would like staff to take at this time.

**Residential SDC Assessment - Scale SDC based on dwelling size?**

Single family based on regression coefficient, table of values for full range, or tiers?

Multifamily measured by bedrooms or square feet?

Staff recommends charging by square footage.

The Board discussed the tiered square footage approach and came to a consensus that this is the direction to take because it provides more flexibility and smaller homes would see a decrease in the SDC fees. The number of bedrooms will be used to scale multifamily homes, which is the method the City currently uses. The Board recognized that this approach may be more difficult for the City to collect for single family homes.

**Overnight visitors and ADUs**

Internal data shows that more visitors are using our parks. The hotel occupancy rate used to determine the recommended charge was updated to reflect the average percentage of occupancy throughout the year. The occupancy rate is 69% with 2.5 people per room based on the information provided by Visit Bend. The Board directed staff to proceed with the recommended SDC fee for hotels and ADUs.

Ms. Healy spoke about affordable housing and how it relates to the District SDC's. She said that in 2015 the City started looking at some exemptions for affordable housing. At the time, the District Board looked at the City request to exempt SDCs for affordable housing and decided not to participate and instead look at the program as a whole. As an organization, the District does do a lot to support affordable living beyond this issue. The District offers needs-based assistance which provides affordable childcare, free programming is offered in effort to reach all income levels, and the District provides the community with access to parks making this a great community in which to live. She also said the other piece that is important to understand is that a large portion of what the District provides is land based. This means that the District must compete with other developers in purchasing land at market value and is a big factor in the cost of projects. She said Bend would be a different place without the park system and it takes funds to make these investments. Ms. Healy also noted that the District projects incur many costs: off-site improvements like building road frontage improvements and extending utilities. The District also pays the SDCs charged by the city, pays prevailing wages and contributes to the affordable housing fee that is calculated on building permits. The Larkspur Center alone will pay almost one million dollars in sewer SDCs and close to \$50,000 for the affordable housing fee which further demonstrates the District contributions to affordable housing.

## **Affordable Housing**

Ms. Bodo said the City approved SDC exemptions in 2015 with a one million dollar cap per biennium, water and sewer were 100 percent exempted and transportation was 75 percent exempted. In 2017, the City approved 100 percent exemption and removed the cap. The exempted homes are deed restricted to at or below 80 percent area median income as determined by the State Housing Council. Homeless shelters developments are also exempt. Exemption applications are evaluated by the Affordable Housing Advisory Committee, the City's program sunsets in 2023.

Ms. Bodo showed that based on the data provided by the City of Bend, Affordable Housing Manager, about 36 units would qualify annually for the exemption and the goal of the City is about 100 per year. Ms. Bodo showed the Board an estimate of the impact on revenue if the District offered this same exemption program.

Staff recommends exempting affordable housing, with an annual cap to start of 100 units, follow the same sunset date as the city, and coordinate with the city to exempt housing with long term deed restrictions.

Executive Director Horton said that the District will have to come up with other funding sources, grants, donations, land donations, and bonds to fill the gap. He said general funds cannot be used because the exemption is considered dollars spent and general fund money cannot be moved over to fill the gap.

The Board overall agreed that the exemption for affordable housing should be granted. The Board also agreed that partnering with the City and allowing them to be in control of the evaluation of qualifying exemptions was the best option. It was pointed out that the District does offer a lot to the community in making Bend more affordable by offering scholarships and providing programming that supports affordable living and quality of life. There was concern expressed that the level of service not be compromised since the community members that live in the smallest spaces need the park space more than others in the community. It was also mentioned that exempting the District SDC fee has little impact on lowering the cost of homes in Bend. The Board reached consensus that this is an option worth pursuing.

The Board reviewed the direction provided to staff and discussed the project list. When reviewing the facilities on the list, Director Fuller commented that the District is using saved reserves for the Larkspur project instead of putting the project on the SDC list and raising the costs. He further commented that this is an example of the District being good stewards of money. After reviewing the project list, the Board decided to keep the list as it is currently.

Ms. Bodo said that the SDC methodology will be discussed again at the April 16 meeting. Other items that staff will ask for direction on will be about deferrals and financing, other exemptions (memory care and end of life facilities) and staff will provide a draft of the ordinance for the SDC methodology.

**6:50 p.m. BREAK/TRANSITION**

**7:00 p.m. BUSINESS SESSION**

## **VISITORS**

Justin Livingston: Mr. Livingston is a Bend City Councilor; he submitted a letter on behalf of the Bend City Council, this letter is attached to the minutes. Affordable Housing Committee asked the City Council to weigh in on the affordable housing discussions and SDCs in general by the District. Mr.

Livingston thanked the Board for the discussion around affordable housing and commented that he would have to change some of his prepared notes. He said the affordable housing program has been a successful program for the City. It has been in place for about 3 years and the City has exempted about 1.5 million dollars in water, sewer and transportation SDCs that have resulted in 221 units that have been built. Mr. Livingston said that this year the City has exempted \$565,000 for 63 units and roughly estimated that if the District had participated it would have amounted to \$470,000. All the funds for deed restricted homes get leveraged for grants. Mr. Livingston said the City has brought in 25 million in funds to build these projects.

Mr. Livingston expressed concern for the burden of administering a tiered system and said it may be too much for the city to handle and would likely have to add additional staff. He said if the tiered approach is approved, the City would have to re-evaluate at minimum the fee charged to collect the SDCs and whether or not they want to collect it at all.

Next, Mr. Livingston spoke about the collective impact that we all have on affordability and doing business in Bend. The City did a statistically valid poll last year and asked open ended question asking people about their biggest concern, transportation and housing were the biggest concerns overall. The question that the council has for the Board is during the comp plan process whether the District weighed the level of service of other partner agencies and was consideration given to the other needs in the community and to make sure that one special district isn't out of skew with the total needs of the community. He asked that the Board re-evaluate that.

He finished with addressing the nonresidential SDCs, recognizing that the Board is not inclined to include these in the methodology, and stated that the Bend Economic Development may want the Council to further to weigh in on this if necessary. He said with the near doubling of hotel SDCs, that this fee would that put pressure on the market to slow down or stop and may cause an increase in short term rentals in our neighborhoods which has other ramifications.

Barb Campbell: City Councilor, she thanked the Board for their discussion of exemptions on affordable housing. She said she that the predicted 100 units needed per year will be outpaced by the current rate of growth of 5-6 people a day. She continued to say that workforce housing continues to be a problem because these folks are not eligible for any federal aid or assistance housing. Ms. Campbell is afraid that these fees represent an overall increase in housing cost and further said that although she appreciates the efforts to spread the fees out with tiers, she thinks that the task may be too great for the City to handle.

Ms. Campbell said the purpose of the special district is to fund the beautiful park system. She said that this special district is set up so that every new person that moves to town equates to more money. She continued to say that the District has the special district tax base, general obligation bond funds and SDCs (that can only be used to expand) and a foundation that people can give donations. Ms. Campbell asked the Board to again look at the level of service, stating that the existing level of service is stated to be higher than the District's own desired level. She continued to say that she thinks the City is happy with the level of service that the District is providing, but she thinks that the methodology represents a growth in that service and said a lot of us would like to tell you that we can't afford it. She concluded by thanking the Board and encouraging them to run for re-election.

Karna Gustafson: Representing Central Oregon Builders Association (COBA), which has approximately 700 member companies. She referenced a letter that was sent earlier today (attached to the minutes) and said she would like to highlight some points. There were seven proposed

recommendations: one of the recommendations is to remove some of the items on the project list that are outside the UGB. Since the boundary is not likely to grow fast enough and the direction of growth is undetermined, she respectfully requested that some of these projects be removed stating that this would lighten the pressure on the residential SDCs. She said that their association is remaining neutral on the tiered system and would not be commenting on it. Her final point was that SDC amounts do drive where housing is built. In 2017, Bend had over 935 single family permits issued and in 2018 only 695. In 2017, Redmond had 245 single family permits and in 2018 almost 500. She concluded that those permits that were not built in Bend moved to Redmond. She cited the total SDC costs as evidence of this shift. The total SDC fees in Redmond are \$14,000 and in Bend they are \$27,000.

Kathy Austin: Ms. Austin serves on the Affordable Housing Committee, but said she is not representing them tonight. Ms. Austin is an architect that has worked on affordable housing for over 25 years and very aware of the costs for developers as she has worked for a lot of nonprofits in her years. She said she spoke with a member of their committee today to ask what the subsidy cost is for the 100 percent deed restricted housing that Housing Works produces on a per unit in Bend. She was told that the subsidy range is typically \$55,000 - \$75,000 per unit. Ms. Austin went on to say that every dollar that is waived is leveraged about seven times of the amount that is reduced. She urged the Board to not just think about the dollar amount of the fee that the District waives, but to think about the impact of the multiplier and the significant difference that can be made with the reduction in fees. Ms. Austin said she is very pleased that the Board is considering the affordable housing exemption and she said it makes sense to do so with a cap and sunset date. As a citizen, Ms. Austin supports the tiered system and thinks it will make a difference in workforce housing. She encouraged the Board to look at levels of service as Bend continues to grow. She next asked the Board to consider bonds over SDCs due to the impact that a SDC fee has on a mortgage over time.

#### **CONSENT AGENDA**

1. Meeting Minutes – 02/05/2018
2. Approve Updated Fees and Charges Policy

***Director Grover made a motion to approve the consent agenda. Director Hovekamp seconded. The motion passed unanimously, 5-0.***

#### **BUSINESS SESSION**

1. Resolution No. 419-Providing Direction Resultant to the Oregon Consensus Report on South UGB Deschutes River Connection – *Don Horton*

Executive Director Horton reviewed Resolution No. 419 that was printed in the Board report. The resolution was as a result of direction given by the Board in response to the Oregon Consensus Report on the south UGB Deschutes river connection.

Director Grover amended the resolution to include language that better states the District's efforts to pursue and expand opportunities and trail connections throughout Bend to help build a shared community vision for the trail system.

The Board expressed that removing this connection opportunity at this time may be a missed opportunity. The District is in a better position to protect the area that could be subject to further development. The Board has heard from many in the community that they are disappointed to see

this project removed. The Board did express optimism that focusing on the trails in a broader view and as a web for effective transportation is a more positive way to proceed with the work that the District is doing.

***Director Schoenborn made a motion to adopt Resolution No. 419 with the amendment postponing the southern connection of the Deschutes River Trail project under the conditions identified in the resolution. Director Grover seconded. The motion passed unanimously, 5-0.***

## **2. Accept Discovery Park Land Donation – Don Horton**

Executive Director Horton presented a map of the area of the land that is being offered to the District as a donation for further park and trail development to Discovery Park. He said that this land was offered to the District four years ago and the District wanted to wait five years to accept the donation to be sure that the property would not settle. It has been four years with no issues, Executive Director Horton recommends that the District accept the donation at this time.

***Director Grover made a motion to accept the donation of approximately 16.97 acres of natural area from West Bend Properties following the completion of a successful compaction test, phase I environmental report and clean title report. Director Schoenborn seconded. The motion passed unanimously, 5-0.***

Executive Director Horton commented that Brooks Resources really values the community and this is evident by all that they give back to the community. Director Schoenborn recommended providing a letter on behalf of the Board to the editor of the local papers publicly thanking Brooks Resources for their community support.

**EXECUTIVE DIRECTOR'S REPORT:** Executive Director Horton said he wanted to bring up the latest mountain lion report. He said the District does not have a policy on what to do when lions are on BPRD property, but wanted to share the practices. Usually the District will close off the area until the lion leaves. The most recent closing was at Hillside Park, the park was closed and the lion left. The most recent lion that was just killed had shown signs of creating territory. Director Hovekamp has asked for a policy on this and the District is willing to do this if directed by the Board. Director Horton said that we do not want to make the decision if a lion should be taken out or not, this decision still needs to rest in the hands of ODFW. Director Hovekamp said that his thoughts on a policy would be a value based statement that says mountain lions are native wildlife and we have a stewardship role in protecting native wildlife on District property. He also recognized that the District does not have the authority to override ODFW. The Board discussed that every effort will continue to be made for public safety. The discussion continued to explore where this policy would fit with the core values and include other animals, recognizing that humans are encroaching on native habitat and we have the opportunity as the District to help manage this because we have resources that can help. The Board has asked staff to consider this discussion and bring ideas back to the Board.

Hidden Hills lot 70, Executive Director Horton went back to the developer after receiving direction from the Board to ask if the developer would support the District phasing in the railroad crossing bridge. The developer really likes the bridge and would like to see it built. The bridge is almost a two million project now (was projected at \$600,000) and there is a duplication of access. Executive Director Horton does not think we should phase it if we are going to do it, should just reallocate money and get it built. The Board agreed and would like to pursue building the bridge and explore other funding with grants.

A letter was received from Central Oregon Conservation Network (COCN) asking the District to refrain from supporting the dredging of Mirror Pond.

Executive Director Horton let the Board know that staff will address the school district hours changing at the next Board meeting on March 5.

Executive Director Horton congratulated Director Grover for her election as managing partner at Karnopp Peterson LLP.

**BOARD MEETINGS CALENDAR REVIEW**

**PROJECT REPORT**

**GOOD OF THE ORDER** Executive Director Horton said he thinks the Board made the right choice for affordable housing and did not want his comments about funding the gap to be misunderstood. Director Hovekamp commented that the staff has done a great job with the SDC presentation. He also expressed his appreciation for constructive commentary with the Board. He expressed objection to positional lecturing from other agencies that haven't done as well as keeping up with growth as the District has, and said there is a point in which lines are crossed and felt that there was a little of that tonight. He said he likes the direction we are going. There was further agreement from the Board.

**ADJOURN 9:18 p.m.**

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Prepared by,  
Sheila Reed  
Executive Assistant

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Brady Fuller, Chair

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Ted Schoenborn, Vice-Chair

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Ellen Grover

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Nathan Hovekamp

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Lauren Sprang





## CITY OF BEND

February 19, 2019

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MAYOR PRO TEM  
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Barb Campbell  
Gena Goodman-Campbell  
Justin Livingston  
Bill Moseley  
Chris Piper

CITY MANAGER  
Eric King

Bend Park & Recreation District Board of Directors  
799 SW Columbia Street  
Bend, OR 97702

### Chair Fuller and Board members:

The Bend City Council values our partnership with Bend Parks and Recreation District (BPRD) as we collectively serve this fast growing community. The purpose of this letter is for Bend's City Council to provide feedback as you proceed with updating BPRD's System Development Charge (SDC) methodology. The City Council is acting upon the City's Affordable Housing Advisory Committee's request to submit this letter. Both bodies feel strongly about this subject. The topic of SDCs is always complicated. Both BPRD and the City rely on SDCs for needed infrastructure, yet if not properly structured they can affect the affordability of our community. In that spirit, we offer the following thoughts on BPRD's SDC update project.

The City recently conducted a statistically valid survey to identify the priority issues for our community. Resoundingly, the results show that people in Bend are most concerned about transportation and housing. The Chamber of Commerce recently conducted a separate survey and found similar results. Neither survey identified parks as a key community concern. Therefore, our comments regarding BPRD's SDC methodology update focus on how to balance the community's feedback with BPRD's SDC ambitions.

The Bend City Council believes strongly in the need for a BPRD SDC exemption program for deed-restricted affordable housing. The City implemented a class exemption for deed-restricted housing, which has to date exempted approximately \$1.5 million worth of City SDCs for affordable housing projects. If BPRD had a program with the same parameters of City of Bend's exemption program, BPRD would have exempted roughly \$470,000 in SDCs last calendar year — less than one percent of your annual budget. This small exemption is in turn quite

powerful, as it could have contributed to the creation of more than 60 homes for low and moderate income Bend residents. We respectfully ask the BPRD board to implement an affordable housing class exemption as a part of the methodology update. If both the City and BPRD implement a class exemption for deed restricted affordable housing, we would collectively reduce the costs of these housing projects which are extremely challenging to fund – every dollar counts.

Second, Council understands BPRD's desire to create a tiered SDC system. The City once considered a similar concept yet decided against implementing that program. As you know, the City of Bend collects SDCs on behalf of BPRD through an Inter-governmental Agreement (IGA) and has done so since 1997. Our concern is with the burden of administering a tiered system. The City of Bend employs two staff members who currently administer the SDC program. Further, there are approximately 40 staff working at our permit counter who routinely explain how SDCs work to the public. If BPRD is to adopt a tiered system of SDCs it will invite challenge from permit applicants, leaving City staff in the awkward position of interpreting nuanced policy for a different district. A simple per-unit SDC regardless of size is the easiest system to implement. If the District insists on a tiered system, the City will need to re-evaluate the administrative fee we charge based on the administrative challenges it will present. Frankly, such a change would make us question whether to continue collecting SDCs on behalf of BPRD due to the challenge.

Third, Council wants to assure that as a partner agency, BPRD is cognizant of the impact that our collective fees and taxes have on the cost of housing and doing business in Bend. Obviously, we understand the challenges associated with building the necessary infrastructure our community relies on as we grow – and SDCs are a tool to help keep pace with that demand. In the City's case, we are constantly balancing the costs of projects and fees with issues of affordability and the community's expected level of service. We understand that BPRD established a level of service in your recently updated Comprehensive Plan. Our question relates to how that level of service was established. If the level of service for public amenities like parks are not balanced with the level of service for other public services like streets, public safety or sewer and water, we are concerned that BPRD's level of service may be skewed. It is imperative for all public agencies to assure their adopted level of service balances our collective community needs.

Last, we also have significant concerns about creation and administration of a commercial SDC, and we will present those concerns to you after the Bend Economic Development Advisory Board analyzes the proposal. We expect to have further testimony to you about commercial SDCs in early March.

We realize that this feedback is pointed and that it questions some of the policy basis that BPRD has relied on as you enter this SDC methodology update. However, based on the overwhelming public interest in affordable housing, the City Council desires to balance the needs of all public infrastructure as we collectively impose SDCs. We recognize that other factors influence the housing costs in Bend besides from SDCs.



However, we have control over SDC fees and as policy making boards, we can make decisions to assure an appropriate balance is struck in the best interest of our community.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Livingston', written in a cursive style.

Councilor Justin Livingston  
on behalf of the Bend City Council

February 19, 2019

Bend Park & Recreation District Board of Directors,

Thank you for allowing Central Oregon Builders Association (COBA) to participate in the 2019 system development charge (SDC) methodology update for Bend Metro Park & Recreation District (BPRD). I have attended all 3 stakeholder meetings and read through the Board packet from January 29, 2019 workshop. I have also met separately with BPRD staff.

COBA has identified 5 top areas of concern.

1. Housing affordability;
2. Non-residential SDC disproportionate impact on business;
3. Equity - Who should pay for parks;
4. Parks on the capital improvement project (CIP) list that are not needed within the planning period (10 years);
5. Timing of implementation.

**Housing Affordability.** We all like our parks here in Bend. However, if the members of the community were asked whether they would like a safe place to sleep that they can afford on the income they currently make or new park within a ½ mile of where they live, my instincts tell me that the housing affordability would be their choice.

Housing in Bend is not affordable to those making the Area Median Income (AMI) for a family of four which is about \$70,000 a year. While BPRD is not the sole contributor to high cost of housing, it is certainly part of the equation. For example, parks SDCs in Redmond are \$2672 and in Bend are \$7949 for a single-family dwelling. These SDCs are paid by the builder of the home, but then passed onto the buyer in the price of the home. The difference between the parks SDCs in Redmond and Bend of \$5277 over the course of a 30 year mortgage (5%) would cost the home owner \$10,198.

The City of Bend's other SDCs for critical infrastructure are lower than the BPRD SDCs (Water, \$5377; Sewer \$4795; Transportation \$6800). Water, sewer and transportation are necessary to building a home inside the City's limits, parks are not. BPRD needs to act responsibly and as a partner with the City to consider the entirety of all SDCs impact on the cost of housing. Further, BPRD should exempt housing that is for those earning 80% or less of AMI. Finally, as you know, the level of service has an impact on the amount of SDCs. As we heard at the stakeholder meetings, determination of the level of service is in the sole discretion of the BPRD Board. We believe the Board should balance the level of service with the City's other infrastructure needs and bring its "piece of the SDC pie" down.

**Non-residential SDCs.** The BPRD argument goes something like this: a commercial building's employees have the opportunity to use a park sometime before, during or after a work day. Therefore, the commercial building developers should pay a share of the BPRD SDCs. Okay, I simplified it a bit. But, according to the consultant hired by BPRD, Galardi Rothstein Group, "A model based on actual use may be the most defensible and equitable when supported by local data; however, conducting a comprehensive usage survey is time-consuming and expensive." So, we are going to use this "hours of opportunity" model because it is simplistic and other cities use it. No data was used from the City of Bend on how many non-resident employees use the parks during a work day. In fact, according to Damon Runberg, Oregon Regional Economist, as of December 2018, of the 57,790 Bend jobs, 270 employees commute from Prineville and 1980 from Redmond. The proposed method has a potential for "double-dipping," meaning the Bend home



occupied by the employee paid an SDC and the building where the employee works also paid. In addition, a commercial tract, whether developed or not, already pays for parks in its property taxes (\$1.61/m of assessed value). There are no employees for a vacant tract of commercial property and yet, the owner pays anyway. According to Kip Barrett, Bend Area Director for Economic Development for Central Oregon (EDCO), it is already hard to compete for businesses to come to Bend, the non-residential SDC will just make it harder. Add this SDC to all the other business taxes and utility rate hikes that businesses could experience after the Oregon Legislature adjourns, Bend may become a desert town for living wage jobs.

**Equity - Who Pays for Parks.** When surveyed by BPRD, our community indicated that more trails were a top priority. However, the community was not asked whether they would be willing to pay for any new facilities (i.e., bond). If trails and parks are really desired by Bend residents, let us ask them to vote on a bond to cover the cost. Why should only new homeowners and new commercial developers pay for the parks? SDCs have not been around forever, what about all those owners/homes that never paid an SDC, but still use the parks. A bond for the indoor park facility should be put to the voters.

**Parks That Should be Removed from the CIP.** The CIP currently includes two projects outside of Bend's Urban Growth Boundary (UGB). These projects are two neighborhood parks that are for future UGB expansions for a total of approximately \$12.5 million dollars. Given that the last UGB expansion took approximately 10 years and Bend does not have urban area reserves that show where the next expansion is to take place, it is premature to include those projects on the list when it is pure speculation that the UGB will expand in those areas.

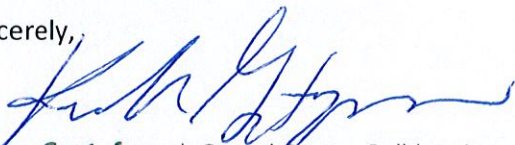
**Timing of Implementation.** Whatever the BPRD Board decides, any increase or new SDC should be phased in over time. The current schedule shows that the new SDC methodology would be implemented on July 1, 2019. This does not give builders and developers who have project budgets already drafted, to account for the increase in SDCs. This would especially be true for hotel developers, where the SDC is proposed to almost double.

**Proposed Compromise.**

1. Reduce the CIP by another \$12.5 million by removing the proposed parks outside the UGB. This is in addition to the \$11 million the BPRD Board proposed to remove at its January 29, 2019 work shop.
2. Allow payment of parks SDCs to be deferred until certificate of occupancy.
3. Eliminate the non-residential SDC.
4. Allow for \$1 million a year in SDC exemptions for affordable housing (80% or below AMI).
5. Reduce level of service for neighborhood parks and community parks to 7 down from 7.85.
6. Phase in any increase in SDCs.
7. Use a bond for the proposed indoor recreational facility to be approved by voters.

Thank you for your consideration.

Sincerely,



**Karna Gustafson** | Central Oregon Builders Association  
Vice President of Government Affairs & Legal Counsel  
Office 541-389-1058 Website: [www.coba.org](http://www.coba.org)

**BOARD AGENDA COMMUNICATION**

<b>AGENDA DATE:</b>	March 5, 2019
<b>SUBJECT:</b>	Fiscal Year 2019-20 Needs-Based Assistance Plan Approval
<b>STAFF RESOURCE:</b>	Matt Mercer, Recreation Director
<b>PREVIOUS BOARD ACTION:</b>	April 3, 2018 - Approved Needs-Based Assistance Plan for Fiscal Year 2018-19 February 19, 2019 – Approved Revised User Fees and Charges Policy
<b>ACTION PROPOSED:</b>	Board approval
<b>STRATEGIC PLAN:</b>	
<b>Theme:</b>	Community Connection
<b>Objective:</b>	Respond to User Expectations
<b>Initiative:</b>	Ensure access to critical recreation programs and services for those with limited ability to pay

**BACKGROUND**

The Needs-Based Assistance Program is the primary way in which the District facilitates access and participation in recreation programs for those with limited financial resources. The Board approved a revised User Fees and Charges Policy on February 19, 2019 which incorporated the previous stand-alone Needs-Based Assistance Policy. The policy establishes the program goals, priorities and basic guidelines. The policy is implemented through an annual Board-approved Needs-Based Assistance Plan which is then funded through the budget process.

Staff shared the proposed Needs-Based Assistant Plan for Fiscal Year 2019-20 in the work session. Staff recommends approval of this plan in the Consent Agenda with any modifications requested by the Board.

**BUDGETARY IMPACT**

\$266,300 was budgeted for the Needs-Based Assistance Program in Fiscal Year 2018-19 to support the Recreation Scholarship Fund. Staff estimates that less than \$100,000 of these funds will be used this fiscal year. The proposed plan for Fiscal Year 2019-20 will require an estimated \$300,000 to fund which includes \$236,000 for the Recreation Scholarship Fund and \$64,000 for the targeted low income programs. Funding sources proposed include approximately \$139,020 in General Fund support, \$63,480 from dedicated cell phone tower lease proceeds, \$45,000 in sponsorship and advertising revenue, \$20,000 from the Bend Park and Recreation Foundation, and \$32,500 in grant/partner contributions.

**STAFF RECOMMENDATION**

Staff recommends that the Board of Directors approve the proposed Needs-Based Assistance Plan for Fiscal Year 2019-20 and direct staff to include the funding for the plan in the Fiscal Year 2019-20 budget proposal.

**MOTION**

*I move to approve the Fiscal Year 2019-20 Needs-Based Assistance Plan and direct staff to include the required funding resources in the Fiscal Year 2019-20 Budget proposal.*

**ATTACHMENT**

Proposed Needs-Based Assistance Plan for Fiscal Year 2019-20 (Page 6 of this Board Report)

<b>BOARD AGENDA COMMUNICATION</b>
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<b>AGENDA DATE:</b>	March 5, 2019
<b>SUBJECT:</b>	Resolution No. 420 Local Government Grant – Drake Park
<b>STAFF RESOURCE:</b>	Quinn Keever, Planner Michelle Healy, Planning and Park Services Director
<b>PREVIOUS BOARD ACTION:</b>	None
<b>ACTION PROPOSED:</b>	Adopt Resolution No. 420 authorizing a 2019 Local Government Grant Application for Drake Park
<b>STRATEGIC PLAN:</b>	
<b>Theme:</b>	Customer-Community Connection
<b>Objective:</b>	Analyze and Adapt to Changing Community Need
<b>Initiative:</b>	Acquire land, and plan and develop trails, river access, parks, natural areas and recreation facilities to meet identified community demand and future need.

**BACKGROUND**

Drake Park is an approximately 13-acre community park adjacent to downtown Bend. This 98-year old park is a popular place for locals and tourists to stroll along the Deschutes River, participate in community events, and increasingly, the location in which river users exit the river after floating from upstream.

In 2018, over 250,000 people floated the river, most of which exited the river at Drake Park. Upon leaving the river, many river users wait in the park to board the “Ride the River” shuttle, which transports people back to their vehicles at the Simpson Parking lot or Riverbend Park.

The popularity of floating the river has taken a toll on the portion of Drake Park nearest Galveston Avenue, where floaters exit the river. The bank and upland area have been stripped of vegetation and are actively eroding. The Local Government Grant would help fund the following improvements at Drake Park in response to increased use:

- Formalize, armor and reinforce the beach
- Restore the riparian habitat around the beach
- Build an accessible pathway from the beach to a new bus plaza
- Construct a bus plaza with seat walls for people waiting to board the Ride the River shuttle
- Build an accessible restroom
- Construct an accessible trail and one boardwalk along the river



The grant requires a minimum match of 50% of the total project cost which would be matched with District funds. The grant application deadline is April 1, 2019 and requires the submittal of a Board Resolution approving the application. Staff has prepared the attached draft Resolution No. 420 for Board review and approval.

#### **BUDGETARY IMPACT**

The District's approved 2019-2023 Capital Improvement Plan (CIP) identifies a total funding allocation of \$5,245,595 for the entire Drake Park Deschutes River Trail and Bank Improvement Project. The proposed grant application would request grant funding of \$487,871 to fund a portion of the larger Drake Park project.

#### **STAFF RECOMMENDATION**

Staff recommends the Board adopt Resolution No. 420 supporting the 2019 Drake Park Local Government Grant application.

#### **MOTION**

***I move to adopt Board Resolution No. 420 authorizing the Executive Director to apply to the Oregon Parks and Recreation Department for a 2019 Local Government Grant in support of improvements at Drake Park.***

#### **ATTACHMENT**

Resolution No. 420

**BMPRD RESOLUTION NO. 420**

**A RESOLUTION OF THE BEND PARK AND RECREATION DISTRICT BOARD OF DIRECTORS  
AUTHORIZING DISTRICT STAFF TO APPLY FOR 2019 OREGON PARKS AND RECREATION DEPARTMENT  
LOCAL GOVERNMENT GRANT FUNDS**

**WHEREAS**, the Board of Directors has identified enhancements to Drake Park as a priority in the District's Five-Year Capital Improvement Plan (CIP) and 10-Year Comprehensive Plan; and

**WHEREAS**, the District is seeking alternative capital to augment funding in order to provide for the development of those needs prioritized in the CIP and Comprehensive Plan; and,

**WHEREAS**, the District certifies that the matching share for the application is available at this time; and,

**WHEREAS**, the District will provide adequate funding for on-going operations and maintenance of this park and recreation facility should the grant funds be awarded; and

**WHEREAS**, the District desires to participate in this grant program to the greatest extent possible as a means of providing needed park and recreation acquisitions, improvements and enhancements; and

**WHEREAS**, the Oregon Parks and Recreation Department is accepting applications for the Local Government Grant Program; and,

**NOW, THEREFORE**, the Board of Directors hereby resolves that District staff is authorized to seek Local Government Grant funds to support enhancements in Drake Park.

**ADOPTED** by the Board of Directors of the District on this 5th day of March, 2019.

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Brady Fuller, Board Chair

Attest:

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Don P. Horton, Executive Director

<b>BOARD AGENDA COMMUNICATION</b>
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<b>AGENDA DATE:</b>	March 5, 2019
<b>SUBJECT:</b>	The Board of Directors' Fund Balance and Reserves Policy
<b>STAFF RESOURCE:</b>	Lindsey Lombard, Finance Director Don Horton, Executive Director
<b>PREVIOUS BOARD ACTION:</b>	The Board adopted the Board of Directors' Financial Policies on November 18, 2014, and the original Fund Balance Policy on June 7, 2011
<b>ACTION PROPOSED:</b>	None, for discussion purposes only
<b>COMMITTEE ACTION:</b>	The Board of Directors' Financial Policy Sub-Committee reviewed, discussed, edited and supported the policies prior to Board adoption in 2014
<b>STRATEGIC PLAN:</b>	
<b>Theme:</b>	Financial Stewardship
<b>Objective:</b>	Maintain financial stability
<b>Initiative:</b>	Provide responsible financial planning and management to support the District's existing and future level of service

**BACKGROUND**

The District is committed to responsible financial management through financial integrity, prudent stewardship of public assets, planning, accountability and full disclosure. The broad purpose of the Board of Directors' Financial Policies is to enable the District to achieve and maintain a long-term stable and positive financial condition. These policies serve as the basic framework for overall financial management of the District, to guide long-range financial planning and decision making, and to achieve its financial goals and objectives.

The District also has administrative financial policies that are approved by the executive director, that guide the day-to-day financial management and operations of the organization.

At the annual Board workshop in January, staff began a discussion regarding the District's discretionary reserves and what the appropriate levels should be. The Board requested that staff bring the discussion back at a regular Board meeting to continue the analysis in order to implement any changes during the upcoming budget process. At the March 5 Board meeting, staff will provide suggestions for the Board's consideration regarding ways of determining appropriate levels of reserves, how levels can be analyzed annually, and potential changes to the adopted Fund Balance and Reserves Policy.

The original Fund Balance Policy was adopted by the Board on June 7, 2011. The revised version, titled the Fund Balance and Reserves Policy, added a new section titled Other Fund Reserves. This current adopted version is attached to this Board report.

### **BUDGETARY IMPACT**

The future adoption of a revised Fund Balance and Reserves Policy may have an impact on how many reserves the District carries in its annual budget. This policy will likely also have an impact on the Board's long-term financial decisions in the future.

### **STAFF RECOMMENDATION**

Staff recommends the Board continue its discussion regarding the District's policy on discretionary reserves and provide staff with direction to edit the current adopted Fund Balance and Reserves Policy, and bring back to the Board for future adoption. Staff also recommends that the Board adopted financial policies continue to be used as a foundation to frame Board discussions and decision-making.

### **MOTION**

*None, for discussion purposes only.*

### **ATTACHMENTS**

Fund Balance and Reserves Policy (current adopted version)

## **Fund Balance and Reserves Policy**

### **Policy**

The Fund Balance and Reserves Policy is an effort to ensure financial security through the maintenance of healthy reserve fund balances that guide the creation, maintenance, and use of resources for financial stabilization purposes. The District's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels due to temporary revenue shortfalls or unpredicted one-time expenditures. The District also seeks to maintain the highest possible credit ratings which are dependent, in part, on the District's maintenance of a healthy fund balance.

### **Definitions**

The following definitions will be used in reporting activity in the District's governmental funds. The District may or may not report all fund types or fund balance classifications in any given reporting period, based on actual circumstances and activity, and as per prior approval by the Board of Directors.

### **Fund Types**

1. General Fund - Used to account for all financial resources not accounted for and reported in another fund.
2. Special Revenue Funds - Used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.
3. Capital Project Funds - Used to account for all financial resources restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
4. Debt Service Funds - Used to account for all financial resources restricted, committed or assigned to expenditure for principal and interest.
5. Permanent Funds - Used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's purposes.

### **Fund Balance Classifications**

1. Fund Balance - The excess of assets over liabilities in a governmental fund.
2. Nonspendable Fund Balance - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
3. Restricted Fund Balance - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
4. Committed Fund Balance - Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
5. Assigned Fund Balance - Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
6. Unassigned Fund Balance - Amounts that are available for any purpose; these amounts are reported in the General Fund. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

### **General Fund Minimum Fund Balance**

The fund balance of the District's General Fund has been accumulated to meet the purpose of providing stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unrestricted fund balance of not less than 17% of annual operating expenditures for each fiscal year (the "General Fund Minimum Fund Balance" target).

The District's decision to retain an unrestricted fund balance of not less than 17% of operating expenditures will help ensure the ability to:

1. Meet operating cash flow requirements before the collection of property taxes, grant proceeds and other operating revenues.
2. Mitigate short-term volatility in revenues.
3. Absorb unanticipated operating needs that arise during the fiscal year but were not anticipated during the budget process.
4. Sustain District services in the event of an emergency.
5. Mitigate significant economic downturns.

6. Provide adequate funding to cover approximately two (2) months of operating expenses.  
The Government Finance Officers Association recommends that the minimum General Fund unrestricted fund balance should be no less than either two (2) months of regular operating revenues or expenditures.

The District will use reserves on a one-time or temporary basis for purposes described above. In the event that the General Fund Minimum Fund Balance decreases to a level below the target level established in this policy, the District will develop a plan to restore reserves to the targeted level, likely from a combination of current and future year additional property tax revenues and reduced spending.

#### **Other Fund Reserves**

The District shall maintain sufficient reserves to provide stable funding for major repairs, replacements and renovations of District parks, facilities, vehicles and equipment. The Facility Reserve Fund shall be the fund where reserves for asset management repairs and replacements are maintained, while the Equipment Reserve Fund shall be the fund where reserves for vehicles and equipment replacements are maintained. The District's target for the minimum reserve balance for each of the two reserve funds, respectively, over the coming five years shall be the greater of either:

- the average renovation and replacement needs over the coming five years; or
- 2% of the current total replacement value.

The minimum reserve balance should be evaluated and adjusted on an annual basis. The target balance is intended to be evaluated over the future five year period, and not just for a single fiscal year. The balance will fluctuate annually and may drop below the minimum target during any specific fiscal year.

#### **Prioritization of Fund Balance Use**

When an expenditure is incurred for purposes for which amounts in any of the fund balance classifications could be used (the expenditure is deemed to be an eligible expenditure within each specific fund balance classification), it shall be the policy of the District to spend the most restricted dollars before less restricted in the following order:

1. Nonspendable (if funds become spendable)
2. Restricted
3. Committed
4. Assigned
5. Unassigned

### **Authority to Commit or Assign Fund Balances**

The District's Board of Directors may commit fund balances to be used for specific purposes through the adoption of a formal resolution. A resolution must also be adopted by the Board of Directors to remove a fund balance commitment.

The District's Board of Directors may also commit the proceeds of specific revenue sources to expend for specific purposes within a special revenue fund through the adoption of a formal resolution. A resolution must also be adopted by the Board of Directors to remove a specific revenue source commitment.

The District's Board of Directors may delegate to the Executive Director or his/her designee, the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund, and shall be adopted by the Board of Directors through the annual budget process.

### **Responsibilities**

The Board of Directors shall commit fund balances and proceeds of specific revenue sources, or remove prior commitments, through adoption of a resolution. The Executive Director shall assign amounts to be used for specific purposes. The Finance Director is responsible for implementation of this policy.

### **References and Resources**

The Annual Audited Financial Statements

### **Related Policies**

Operating Budget Policy





## PLANNING & DEVELOPMENT PROJECT UPDATES March 2019



### **Deschutes River Trail (DRT):**

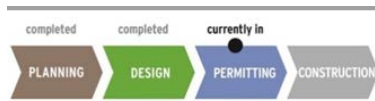
**Putnam to Riley Ranch Nature Reserve Bridge Segment** – Brooks Resources provided an easement for the trail and parking area. However, development of this segment of trail and the parking area on this property are contingent upon acquisition of a trail easement on the adjoining property with an active surface mine, which may delay the trail project for a few more years.

**Kirkaldy Ct. to Putnam Rd. Segment** – After meetings with adjacent property owners and the Awbrey Meadows Home Owners Association Board of Directors, the issue of the District acquiring a trail easement over the buried Tumalo Irrigation pipeline has not yet been resolved. The trail alignment is also pending acquisition of other necessary trail easements from the surface mining property.

**Galveston to Miller's Landing Park Segment** – The District is negotiating with the City of Bend to determine the scope of this project. Staff anticipates a modification to the intergovernmental agreement (IGA) to address additional utility work necessitated by the project. Due to the utility work that was completed over the last two years in the neighborhood, the City wanted to wait a couple more years before beginning another project in that area. This will give both the City and BPRD time to work on a revised scope of work and amend the current IGA. District staff has started conversations with the City of Bend.



**Alpenglow Community Park:** District staff and the ESA design team have completed schematic designs for the major elements of the park, and have submitted the Institutional Master Plan application to the City of Bend. Working with our consultants, District staff has performed a preliminary value engineering exercise in order to keep the project moving along on budget. The consultants are now beginning the 30% design document set. Coordination with the City and School District continues as all three projects move through their various levels of design.



### **Shevlin Park:**

**Signage** – The sign package installation is underway for the new interpretive, wayfinding, and regulatory signs in Shevlin Park, and for the 329 acre expansion of Shevlin Park, formerly known as the Tree Farm. District staff will be performing the work throughout the winter and spring as weather allows.

**Accessibility Improvements** – Design work for the ADA accessibility projects, which is funded by the State’s Local Government Grant (LGG), continues with construction anticipated in the summer of 2019. The project includes upgrading the existing Larch Grove Bridge, installation of a new trail from the parking lot to the Aspen Grove picnic shelter, removal of the existing Hixon Bridge with stream and riparian repair, and accessibility improvements in the parking lot adjacent to Aspen Hall.



**Larkspur Center (Bend Senior Center):** The Board approved the GMP on February 5<sup>th</sup>, 2019 and the contractor is expected to start mobilizing on the site this month. The park and Senior Center will close for the summer, allowing the contractors to complete a new parking area and key building connection points. When the facility opens back up in September, most of the work will be confined to the northwest side of the lot in order to minimize user conflicts within the existing facility.



**Big Sky Park Expansion:** The County Commissioners decision is now final. DOWL Engineers will finish the construction drawings with plans to have them wrapped up by summer. It is anticipated that the project will start construction in the winter of 2020.



**Drake Park DRT & Bank Improvement Project:** Full design of the project continues with 100% CD’s expected in April. Permit submittal has not happened as of yet. The agencies require signatures from all of the property owners the work effects. This will take some time, as we are still negotiating easements. Once we receive all the signatures we can submit for permits. This is expected to take a minimum of 6 months, but likely longer. Because of this, as well as other conflicting District projects, staff is recommending not starting construction until the fall of 2020.



**Juniper Park:** Work continues on phase two of the project which is currently under permit review with the City of Bend. Phase two includes replacing the existing playground with an ADA focused playground, removing the old storage and restroom buildings, new access and parking at 6<sup>th</sup> Street, and construction of a new restroom building that will serve both the park and the outside pool deck area. This work is anticipated to start early fall of this year and be complete by spring of 2020.



**Goodrich Pasture Park:** District staff and the design team have completed 75% construction document level drawings. District staff has also continued coordination with the City for the design of their portion of the Quimby Road improvements. Final construction drawings and submittal to the City should happen this spring or summer.



**Pioneer Park Restroom & Accessibility:** Accessibility improvements to the entry, parking area, and restroom are underway. Contracted work is expected to be completed by late February 2019. District staff will restore the irrigation and landscape in the spring as weather allows.



**Pacific Crest Middle School Fields:** The District and the BECON team will soon have a full set of construction documents out for review by District staff and school district staff. Construction is slated to begin in late spring or early summer of this year and be completed by early fall.



**Haul Road Trail:** Staff is working with the City of Bend and Western Federal Lands (WFL) to finalize all of the easements for the trail. WFL has started design and survey work; however, construction on the trail is not expected to begin until mid-2020.



**Rockridge Park Restroom:** The District is working with Hickman, Williams & Associates, Inc. to annex Rockridge Park to the City of Bend, as well as design a restroom facility for the community park. The annexation application is under review with the City and preliminary restroom designs and site modifications are underway. Construction is expected to begin in the fall of 2019.



**Empire Crossing Park:** District staff and the BECON design team have completed the 50% CD drawings and are currently reviewing them with District staff. The new playground and pathways will be a tremendous upgrade for the park which is slated to begin breaking ground this spring with completion in late fall or winter of this year.



**Deschutes River Restoration Planning:** The UDWC and BPRD have received a Technical Assistance Grant from the Oregon Watershed Enhancement Board (OWEB) to complete the design and engineering on the section of river from the Bill Healy Bridge to the Farewell Bend Bridge along river left. UDWC and District Staff have been evaluating the RFP's for completing the design work and it is anticipated that the design will be completed by summer of 2019.

**Strategic Plan:** The District's consultant team returned on February 11<sup>th</sup> and 12<sup>th</sup> to conduct workshops with the Board, Leadership Team, Executive Team and over 100 District staff. Workshop participants developed intended outcomes and associated goals based on the newly developed pillars. The consultants will return this March to help staff develop action items for each goal.

**System Development Charge Methodology (SDC):** The District's consultant team held stakeholder meetings on October 24<sup>th</sup>, December 6<sup>th</sup>, and January 16<sup>th</sup>. Staff also held individual meetings with other developers as needed. The consultant team presented options for the Board's consideration on January 29<sup>th</sup> and February 19<sup>th</sup>, with a follow up session planned for April 16<sup>th</sup>. A draft report is expected in March with a 60-day public review period and request for Board approval in May 2019.

**Deschutes River Access Planning:** Public lands in and around the City of Bend are experiencing rapid increases in use as growing numbers of residents and visitors use public lands for recreation and leisure. With increased use, sensitive wetland and riparian habitats along the Deschutes River have been impacted as hikers, cyclists, bird-watchers, anglers and floaters gravitate to the river corridor for recreational activities. In an effort to get a handle on and manage access to the river, District staff will be starting a planning effort to gain a better understanding on how patrons utilize the river and how to make access more sustainable.

**Board Calendar  
2018-2019**

*\*This working calendar of goals/projects is intended as a guide for the board and subject to change.*

**March 19:** Canceled

**April 2**

Work Session

- ◆ Recreation Program Report (15 min)

Business Session

**April 16**

Work Session

- ◆ SDC Ordinance Workshop, Deferrals and Financing (80 min)

Business Session

**April 17 - Budget Committee Tour**

**May 7**

Work Session

- ◆ Recreation Program Report (15 min)

Business Session

- ◆ Shevlin Park ADA / Bridge Work Award Construction Contract – *Brian Hudspeth (20 min)*

**May BUDGET MEETINGS (Tentative: May 13,15,16)**

**May 21 – Election Night**

Work Session

Business Session

- ◆ Public Hearing and First Reading of SDCs – *Sarah Bodo (30 min)*
- ◆ PCMS Fields Award Construction Contract – *Jason Powell (15 min)*

**June 4**

Work Session

- ◆ Recreation Program Report (15 min)

Business Session

- ◆ Empire Crossing Park – Award Construction Contract – *Ian Isaacson and Jason Powell (20 min)*
- ◆ Adopt Resolution No. XXX – Adopting a Revised Fee Schedule for System Development Charges, effective July 1, 2019 – *Lindsey Lombard*
- ◆ Hold Public Hearing and Adopt Resolution No. XXX – Adopting the Budget and Making Appropriations for Fiscal Year 2019-20, and Adopt Resolution No. XXX - Imposing and Categorizing Taxes for Fiscal Year 2018-19 – *Lindsey Lombard*
- ◆ Adopt Resolution No. XXX – Adopting the Capital Improvement Plan Summary for Fiscal Years Ending 2020 - 2024 – *Michelle Healy (10 min)*
- ◆ Second Reading for SDC Ordinance and Methodology – *Sarah Bodo (15 min)*

**June 18**

Work Session

Business Session

**TBD**

IGA with the City for Planning – *Michelle Healy and Don Horton (45 min)*

Adopt Strategic Plan

Recreation Programming Plan – Matt Mercer and Michael Egging

Northpointe Park Award Design Contract – *(20 min)*

Trails Plan and Projects Update –

Goodrich Park Award Construction Contract – *Ian Isaacson and Jason Powell (20 min)*

Award construction contract for Big Sky Park – *Brian Hudspeth (15 min)*

15<sup>th</sup> Street IGA with the City – *Brian Hudspeth (15 min)*