



Tualatin Hills Park & Recreation District Minutes of a Regular Meeting of the Board of Directors

A Regular Meeting of the Tualatin Hills Park & Recreation District Board of Directors was held at the HMT Recreation Complex, Dryland Training Center, 15707 SW Walker Road, Beaverton, on Monday, June 17, 2013. Executive Session 6:00 p.m.; Regular Meeting 7:00 p.m.

Present:

Joseph Blowers	President/Director
Larry Pelatt	Secretary/Director
Bob Scott	Secretary Pro-Tempore/Director
John Griffiths	Director
William Kanable	Director
Doug Menke	General Manager

Agenda Item #1 – Executive Session (A) Personnel (B) Land

President, Joe Blowers, called Executive Session to order for the following purposes:

- To consider the employment of a public officer, employee, staff member or individual agent, and
- To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Executive Session is held pursuant to ORS 192.660(2)(a) & (e), which allows the Board to meet in Executive Session to discuss the aforementioned issues.

President, Joe Blowers, noted that representatives of the news media and designated staff may attend Executive Session. All other members of the audience were asked to leave the room. Representatives of the news media were specifically directed not to disclose information discussed during the Executive Session. No final action or final decision may be made in Executive Session. At the end of Executive Session, the Board will return to open session and welcome the audience back into the room.

Agenda Item #2 – Call Regular Meeting to Order

President, Joe Blowers, called the Regular Meeting to order at 7:05 p.m.

Agenda Item #3 – Action Resulting from Executive Session

Bill Kanable moved that the Board of Directors authorize the President of the Board of Directors to execute an employment agreement addendum with the General Manager per the direction provided in Executive Session. Larry Pelatt seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Bob Scott	Yes
Larry Pelatt	Yes
Bill Kanable	Yes
Joe Blowers	Yes

The motion was UNANIMOUSLY APPROVED.

Bob Scott moved that the Board of Directors authorize staff to acquire part of a property in the northwest quadrant of the District, using bond measure funds designated for natural area preservation, to allow for expansion of an existing natural area. Bill Kanable seconded the motion. Roll call proceeded as follows:

Larry Pelatt	Yes
John Griffiths	Yes
Bill Kanable	Yes
Bob Scott	Yes
Joe Blowers	Yes

The motion was UNANIMOUSLY APPROVED.

Bob Scott moved that the Board of Directors authorize staff to acquire part of a property in the northwest quadrant of the District, using bond measure funds designated for park land acquisition, to allow for construction of a youth athletic field. Bill Kanable seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Larry Pelatt	No
Bill Kanable	Yes
Bob Scott	Yes
Joe Blowers	Yes

The motion was APPROVED my MAJORITY vote.

Agenda Item #4 – Swearing in of Reelected & Newly Elected Board Members

Washington County Commissioner, Greg Malinowski, preformed the swearing in ceremonies for reelected Board members, Larry Pelatt and Bob Scott, and newly elected Board member, Jerry Jones, Jr., for their four-year terms on the Board of Directors, effective July 1, 2013.

Agenda Item #5 – Election of Officers for Fiscal Year 2013-14

President, Joe Blowers, opened the floor to nominations for Board officers for Fiscal Year 2013-14, taking effect on July 1, 2013.

Larry Pelatt nominated Joe Blowers to serve as President of the Tualatin Hills Park & Recreation District Board of Directors for Fiscal Year 2013-14. Bob Scott seconded the nomination. Hearing no further nominations, roll call proceeded as follows:

John Griffiths	Yes
Bob Scott	Yes
Joe Blowers	Yes
Bill Kanable	Abstain
Larry Pelatt	Yes

The nomination to elect Joe Blowers to serve as President for Fiscal Year 2013-14 was APPROVED by MAJORITY vote.

Larry Pelatt nominated Bob Scott to serve as Secretary of the Tualatin Hills Park & Recreation District Board of Directors for Fiscal Year 2013-14. John Griffiths seconded the nomination. Hearing no further nominations, roll call proceeded as follows:

Bob Scott	Yes
Joe Blowers	Yes
John Griffiths	Yes
Larry Pelatt	Yes
Bill Kanable	Abstain

The nomination to elect Bob Scott to serve as Secretary for Fiscal Year 2013-14 was APPROVED by MAJORITY vote.

John Griffiths nominated Larry Pelatt to serve as Secretary Pro-Tempore of the Tualatin Hills Park & Recreation District Board of Directors for Fiscal Year 2013-14. Bob Scott seconded the nomination. Hearing no further nominations, roll call proceeded as follows:

Larry Pelatt	Yes
Bill Kanable	Abstain
Bob Scott	Yes
John Griffiths	Yes
Joe Blowers	Yes

The nomination to elect Larry Pelatt to serve as Secretary Pro-Tempore for Fiscal Year 2013-14 was APPROVED by MAJORITY vote.

President, Joe Blowers, recognized that this is Board member, Bill Kanable's, last Board meeting and thanked him for his eight years of service on the Board of Directors.

- ✓ Bill thanked the community for the opportunity to serve them in this capacity, noting that it has been a great experience, as well as his family for the support they have provided him over the past eight years.

Agenda Item #6 – Budget Hearing: Resolution Adopting the Budget, Levying Taxes, and Making Appropriations for the Fiscal Year 2013-14

A. Open Hearing

President, Joe Blowers, opened the Budget Hearing.

B. Staff Report

Keith Hobson, Director of Business & Facilities, provided a brief overview of the memo included within the Board of Directors information packet, noting that there are no adjustments to the Approved Budget being proposed by District staff this evening and that Board approval is being requested of the resolution to adopt the Fiscal Year 2013-14 Budget, make appropriations, and levy ad valorem taxes.

C. Public Comment

There was no public comment.

D. Board Discussion

Larry Pelatt thanked the Budget Committee and District staff for their efforts in developing the budget that is before the Board of Directors for adoption this evening.

E. Close Hearing

President, Joe Blowers, closed the Budget Hearing.

F. Board Action

Bill Kanable moved that the Board of Directors approve Resolution 2013-20 to adopt the Budget, make appropriations, and levy ad valorem taxes for Fiscal Year 2013-14. Larry Pelatt seconded the motion. Roll call proceeded as follows:

Bob Scott	Yes
John Griffiths	Yes
Larry Pelatt	Yes
Bill Kanable	Yes
Joe Blowers	Yes

The motion was UNANIMOUSLY APPROVED.

Agenda Item #7 – Audience Time

Jack Franklin, 5025 SW Fairmount Drive, Beaverton, is before the Board of Directors this evening representing the Beaverton Optimist Club. He thanked the Board of Directors for agreeing to recognize citizen Vern Williams with a plaque at Evelyn M. Schiffler Memorial Park. He noted that Vern has been, and continues to be, very involved in the District, and was instrumental in getting Schiffler Park donated to the District.

Agenda Item #8 – Board Time

John Griffiths recognized Bill Kanable, noting that Bill has brought a lot of good experience and insight to the Board.

- ✓ President, Joe Blowers, expressed agreement, noting that the current Board has worked well together. He described how Bill brought a lot of experience to the Board via his significant involvement in youth sports.

Agenda Item #9 – Consent Agenda

Bill Kanable moved the Board of Directors approve Consent Agenda items (A) Resolution Appointing Parks, Sports and Trails Advisory Committees Members, (B) Intergovernmental Agreement with City of Beaverton for Fanno Creek Trail Crossing at Hall Blvd., (C) Resolution Authorizing Addition of a Metro Local Share Project, and (D) HMT ADA Parking Improvements Master Plan. Larry Pelatt seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Bob Scott	Yes
Larry Pelatt	Yes
Bill Kanable	Yes
Joe Blowers	Yes

The motion was UNANIMOUSLY APPROVED.

Board member, John Griffiths, was excused from the meeting.

Agenda Item #10 – Unfinished Business

A. Comprehensive Plan – GreenPlay Draft Reports

An update to the District’s 2006 Comprehensive Plan has been underway since fall 2011 by District staff together with GreenPlay, LLC, a consulting firm that specializes in parks and recreation. Included in the Board of Directors information packet are two draft reports: “THPRD Comprehensive Plan Update 2013” and “THPRD Service and Financial Sustainability Analysis.”

Keith Hobson, Director of Business & Facilities, introduced Karon Badalamenti, GreenPlay Project Lead, and Ann Mackiernan, Operations Analysis Manager, to present the findings and recommendations that have been developed through this process.

- ✓ Doug Menke, General Manager, noted that tonight’s presentation will provide a wide variety of information and recommendations. Based on the Board’s input this evening, District staff will finalize the materials and bring back various items for action, some of which may require policy adjustments, at the October Regular Board meeting.

Karon provided a detailed overview of the Comprehensive Plan Update Project via a PowerPoint presentation, a copy of which was entered into the record, and which included the following information:

- **Process Overview**
 - The recommendations being presented this evening are an objective view and the Board may or may not agree with each recommendation presented.

- Phase in recommended adjustments; do not feel pressured to implement everything immediately.
- **Values, Vision & Mission**
 - Established Mission Statement
 - “The mission of the THPRD is to provide natural areas, high quality park and recreation facilities, services and programs, that meet the needs of the diverse communities it serves.”
 - Vision Statement Developed
 - “We will enhance healthy and active lifestyles while connecting more people to nature, parks and programs. We will do this through stewardship of public resources and by providing programs/spaces to fulfill unmet needs.”
- **Public Input & Survey Results**
 - Public input and survey results emphasized:
 - Balanced opportunities
 - Healthy, active lifestyles
 - Natural resources
 - Maintaining current assets
 - Need to give consideration to how to fund renovation, replacement and repurposing of assets that have reached the end of useful life.
- **Inventory & Level of Service Analysis**
 - Adding more assets is not always the best way to improve Level of Service. Also consider improving conditions and functionalities of current assets.
 - In October 2012, GreenPlay, working with Design Concepts, toured 102 District park sites and 17 indoor facilities to verify GIS mapping and assign quality rankings for overall design and ambiance, and for each site component. Assumed scores were used for 134 additional outdoor sites.
 - Due to the consistently high level of service in the District, a GRASP (Geo-Referenced Amenities Standards Program) score of 74.7 was used as the service threshold for analysis. This threshold equates to access to the average of all neighborhood parks, plus access to a trail.
 - Level of Service Analysis: Neighborhood Access
 - Examines access to facilities using a one-mile radius with a premium given to walkable proximity.
 - Level of service meets or exceeds service threshold in 99% of District.
 - Gap in service exists only in northeast corner of the District and an opportunity exists to fill this gap by developing the Teufel property.
 - Level of Service Analysis: Walkable Access
 - Examines access to facilities using a 1/2-mile radius and accounts for impact of arterial roadways as barriers.
 - Areas do exist with limited or no service within a 15-minute walk.
 - Examination based on actual population shows that 75% of population has walkable access at or above the service threshold while only 3% has no walkable access.
 - Level of Service Analysis: Community Access
 - Examines access to community-based facilities accessible by bike or car using a 5-mile radius.
 - 100% of population has access to the District’s regional facilities.

- Further examination compared specific parks' GRASP scores. For example, the new Winkelman Park scored approximately 120, while Cedar Hills Park scored approximately 70; yet, Cedar Hills Park provides access for a much greater population than Winkelman Park.
 - Level of Service Analysis: Trailshed
 - Examines access to trailsheds using a 1/3-mile corridor buffer of that trailshed to all components, parts and facilities that might be along the corridor.
 - While a strong, well-connected central trail system provides access to 81 different outdoor sites and three indoor facilities, there are also about 60 trail segments that are not connected.
 - Recreation and Programming
 - 45% and 46% of survey respondents (respectively) use the recreation and aquatics facilities, while 85% use parks.
 - Promotion of facilities was the most important aspect to improve upon.
 - The District needs to give consideration to strategic and targeted marketing efforts, outside of the activities guide. Recommendations include a large, District-wide marketing plan and branding efforts, all of which will take an investment.
 - Indoor Facilities
 - Joint Use
 - Includes HMT Recreation Complex and Conestoga Recreation & Aquatic Center. Currently meet expectations and are more efficient to operate.
 - Aquatics
 - Most pool facilities are well maintained, but are showing signs of age and do not meet expectations. Most do not offer any other activities but the pool.
 - Future discussion should include ways the District could potentially utilize such space a little better, taking into consideration that aquatics and fitness/wellness are very high priorities to the District's residents.
 - Recreation
 - Recreation centers provide high levels of access for the District; however, most are showing signs of age.
 - Inconvenient ADA access and retrofitted spaces are common.
 - The mix of leased spaces with District program spaces is a topic to take into further consideration when discussing where these activities should fall on the cost recovery pyramid.
 - Special Use
 - Includes the Elsie Stuhr Center, Jenkins Estate, Tualatin Hills Nature Park, and Fanno Farmhouse. All exceed expectations.
 - Each is unique in character and provides a specialized service/amenity, including historical reference for the District.
 - Some may need some financial assistance to continue to operate and there is an opportunity for more partnerships, such as the recent operational changes taking place at Jenkins Estate.
- **Comprehensive Plan Update Recommendations**
 - Following are the major recommendations contained within the THPRD Comprehensive Plan Update 2013, beginning on page 73 of the report.

- These recommendations have been tied to the current goals contained within the District's strategic plan.
 - A. Update the Trails Functional Plan (contributes to the fulfillment of Goal 5)
 - B. Use strategies for addressing low-scoring/functioning components (contributes to the fulfillment of Goal 1)
 - C. Conduct ongoing review of GIS data (contributes to the fulfillment of Goal 3)
 - D. Complete inventory and updated Levels of Service analysis (contributes to the fulfillment of Goal 3)
 - E. Use current baseline GRASP analysis to guide future park development (contributes to the fulfillment of Goal 1)
 - F. Address walkable Level of Service (contributes to the fulfillment of Goal 1)
 - G. Consider design/development criteria (contributes to the fulfillment of Goal 1, 2, 3, 6 & 8)
 - H. Conduct a Field Capacity Analysis (contributes to the fulfillment of Goal 2)
 - I. Explore opportunities for enterprise facilities or additional amenities (contributes to the fulfillment of Goal 2)
 - J. General improvement and acquisition recommendations (contributes to the fulfillment of Goal 1, 2, 3, 4, & 6)
- **Cost Recovery Model**
 - Resource Allocation: The Pyramid Methodology
 - A principle of using taxpayer funds to underwrite and support those things that benefit the community as a whole (not just providing the opportunity to benefit, but to directly benefit).
 - Outlines who benefits and the degree of beneficiary. The least cost recovery is expected where the community as a whole benefits. The cost recovery increases as the individual begins to benefit.
 - The THPRD Cost Recovery Pyramid was developed through public input at three public meetings held in December 2012.
 - Agencies typically allocate between 70-80% to Tier 1 and 2 areas, but the District allocates about 69% due to more aggressive cost recovery.
 - Cost recovery should not be thought of only in terms of the fees charged for services, but alternative revenue sources such as volunteers, sponsorships, grants, and donations.
 - The THPRD Cost Recovery Pyramid 2013 Current Cost Recovery reflects the desired level of subsidy versus the District's current level of funding subsidy for each program area.
 - One way to increase the cost recovery for Monitored Facility Usage, which includes drop-in programs, is to increase the number of people using those programs. It is not necessarily about fees, although the fee may need to be looked at as well.
 - The desired cost recovery percentages are targets to strive for over time, not overnight. Some areas may have a higher cost recovery than desired, while others may be lower, but the desire is that they would ultimately balance each other.
 - After working toward these cost recovery goals for a year or more, the goal is to free up some revenue either by having some revenue-positive funds available or by reducing subsidy in order to be able to shift the subsidy toward those services at the bottom of the pyramid or to fund another initiative.

- **Service Portfolio**
 - Using the Service Assessment Matrix, staff analyzed every District program individually in relation to the market and the District's position in the market for that particular service.
 - The results identify for each offering whether the District should advance the market position, affirm, collaborate or divest. It also identifies whether the offering is a core service, which tend to correspond to the services listed toward the bottom of the pyramid, as they are highly dependent on tax funds and no one else provides the service. The market for some services may vary depending on location within the District and who else is providing a like or similar service.
 - In no case should the District immediately begin divesting in services. Rather, recognize it and start discussing how to appropriately address the issue.
 - The Service Assessment Matrix and Portfolio is a tool that District staff will now be using on an annual basis in order to be as proactive as possible.
 - Bob Scott, who served as the Board liaison on the Cost Recovery Team, complimented staff on their open-mindedness in utilizing this tool and reviewing the services based on the matrix. He believes Karon's explanation and assistance helped facilitate an attitude of openness.

- **What if?**
 - If the District met all of its cost recovery targets, an extra \$10 million would be netted annually. These funds could be used for:
 - \$2-4 million annually to fund a life-cycle replacement sinking fund
 - Funding for strategic initiatives
 - Adequately funding the Family Assistance Program
 - Corvallis Parks & Recreation was able to recoup \$250,000 the first year of their cost recovery program by implementing some of the simplest recommendations that were made through this process.

- **Service & Financial Sustainability Analysis Goals**
 - Theme 1: Policy Strategies
 - Goal 1 – Explore the possibility of expanding the self-sustaining enterprise fund.
 - Goal 2 – Establish a sinking fund for life cycle repair/replacement projects.
 - Goal 3 – Adopt the Target Tier Minimum Cost Recovery Percentage as the fiscal methodology for budget preparation, the basis for establishing fees, and public accountability.
 - Goal 4 – Adopt the Pricing Strategies as the methodology for fee setting by THPRD.
 - Goal 5 – Revise Current Sponsorship Policy.
 - Goal 6 – Implement a Partnership Policy.
 - Goal 7 – Revise current non-resident fee policy.
 - Goal 8 – Revise current Family Assistance Program.
 - Theme 2: Service and Provision Management
 - Goal 9 – Implement provision strategies identified through the Service Assessment.
 - Goal 10 – Explore a systematic approach to, and strategies for, advancing or affirming market position for identified services.
 - Goal 11 – Continue to explore targeted menus of services that are specific to the unique needs of individual communities throughout the District (avoid a “one-size-fits-all” approach).

- Goal 12 – Improve intra-division cooperation and labor management.
 - Theme 3: Cost Savings & Cost Avoidance Strategies
 - Goal 13 – Continue to develop a consistent methodology and budget planning approach for service management.
 - Goal 14 – Continue to use cost savings practices that align with the District’s Vision and produce cost effective results.
 - Goal 15 – Continue to track and communicate cost of major maintenance.
 - Goal 16 – Continue to identify and track the value of volunteers as an alternative revenue source and cost savings measure.
 - Theme 4: Cost Recovery Alignment
 - Goal 17 – Ensure long-term sustainability by focusing taxpayer funding on those services that produce the widest community benefit, using a cost recovery pyramid.
 - Goal 18 – Review all Intergovernmental Agreements (IGAs), Memorandums of Understanding (MOUs), Rentals and Tenant Leases to reflect cost of service provision and value received.
 - Theme 5: Revenue Enhancement
 - Goal 19 – Explore alternative funding sources that strategically align with targeted services.
 - Goal 20 – Improve effectiveness of friends groups for appropriate fundraising efforts.
 - Goal 21 – Explore the opportunities for and use of Sponsorships through naming rights.
 - Goal 22 – Increase targeted marketing and outreach efforts.
 - Theme 6: Future Growth
 - Goal 23 – Explore new services using the Service Assessment.
 - Goal 24 – Continue a variety of community outreach strategies.
 - Goal 25 – Pursue collaborations and partnerships.
- **Key Next Steps**
 - Revise policies
 - Cost out all IGAs & MOUs – discuss options
 - Cost out all rental space costs – Preschools, Meals-on-Wheels, West Portland Boxing, etc. – discuss options
 - Track all staff time spent on fundraising events to calculate true costs of the events – discuss options
 - Review fees and charges
 - Develop functional plans
 - Develop CIP
 - Establish a sinking fund for life cycle repair/replacement projects

Karen closed the presentation and offered to answer any questions the Board may have.

Keith Hobson, Director of Business and Facilities, provided additional clarification regarding the recommendation to establish a life cycle repair/replacement projects sinking fund, explaining that while the District is currently doing a good job of managing its annual maintenance requirements, it is funding these on an annual basis. He provided an example of how a sinking fund would work, noting that a roof with a 20-year life would have 1/20th of the cost of replacing that roof set aside into a sinking fund annually so that when the roof reached the end of its life, it would not be necessary to fund the entire amount out of a single budget year. A sinking fund would protect the District in the event that there is a budget shortfall preventing certain assets from being replaced and thus creating a backlog.

- ✓ Bob Scott asked whether the sinking fund would be an additional line item within the budget, similar to the District's contingency fund.

Keith replied that it would be a separate fund outside of the General Fund and that the General Fund would effectively rent the assets from the sinking fund. At a minimum, the District would want to see a sinking fund for all of the components that we replace, such as roofs, walls, plumbing, etc. Ideally, the District would build a sinking fund to replace whole facilities.

- ✓ President, Joe Blowers, commented that if a sinking fund had been established forty years ago for entire facilities, the District would be reaping the benefits right now.

Doug agreed, noting that such a fund is a conscious investment and that, per Karon's resources nationally and what we already know of other agencies, the District is already doing well in the area of maintenance replacements; however, a sinking fund would further protect us. The District cannot be overly confident that tax funds will simply keep coming in at the same rate and that when the backlog gets large enough the District would pass a local option levy. That is not reasonable nor is it responsible. The concept of a large, asset-based replacement fund enables this opportunity.

- ✓ Bob commented that all of the other recommendations have to be put into place though in order to generate the funds for a sinking fund.

Keith agreed, noting that building a sinking fund at this point without doing anything else would so negatively impact the District's operations and maintenance levels that it would be counter productive. However, if the District can secure additional revenue by acting upon some of the recommendations that have been made this evening, the District could create the sinking fund.

- ✓ Karon commented on this strategy as a way to build the District's credibility with the public as it is a transparent and responsible process and the public has already expressed strong support for the District to maintain its current assets. In addition, as the facilities are replaced, the District can improve upon the previous facilities and make it more interesting to the public, thereby increasing attendance and revenue.
- ✓ Bill Kanable noted that maintaining current assets was a strong message heard from the community via polling for the 2008 Bond Measure, as well.

Keith stated that another benefit of the cost recovery thought process is that if the District wanted to issue bonds to build a new facility, if the facility is following cost recovery strategy and pricing correctly, it is going to help generate the revenue to retire those bonds.

President, Joe Blowers, referenced Goal 20, "Improve the effectiveness of friends groups for appropriate fundraising efforts," and noted that the District's advisory committees hold various fundraisers in order to purchase assets that are not within the District's budget. He asked if the message behind Goal 20 is essentially that once the donated staff and facility time is factored into the equation for the fundraiser, that not as much funds were raised as initially thought.

- ✓ Karon confirmed this.

Joe asked what the ramifications would be if the District stopped utilizing such fundraisers because it is more costly than initially believed.

- ✓ Karon replied that it would depend on what the fundraiser is for. If the fundraiser is to replace something that is an operational item, that is an expense that should be carried by the District. If the fundraiser is for an enhancement, it does not mean that the fundraiser should not continue, but that the District needs to be aware of the true cost of the fundraiser. She believes that there is a lot of fundraising happening for which a more coordinated fundraising process may be helpful and would enable the District to accomplish something with a larger impact. She noted that there is also a difference between a fundraising committee and advisory boards and she sees a lot of crossover in these two areas for the District, which should be further evaluated.

Larry Pelatt noted that the advisory committees receive matching funds from the District for projects not within the District's budget, which is essentially taking funds from one pocket to the

other. He asked Karon if she sees any higher purpose for the Tualatin Hills Park Foundation and whether it could ever significantly change the revenue stream for the District.

- ✓ Karon replied that she believes the Park Foundation could if the District could help it function in a higher way. Foundations are created to be able to fund very specific initiatives that the agency is unable to fund in other ways, such as a socio-economic special initiative program that the District currently underwrites, when normally it may be higher on the pyramid and expected to be sustainable. Grants can also be run through a foundation that could not otherwise come to the agency. Foundations can be large fundraisers for agencies, but can also, at times, be the tail wagging the dog; that is why it is important to be clear about roles and responsibility levels.

Bill commented that tradition can be difficult to overcome and that it might take some time to change the thought process behind both the Park Foundation and advisory committees.

- ✓ Karon described how, by adhering to cost recovery, the District could be free to create a pool of funds that advisory committees apply to in order to fund certain worthy projects or initiatives. However, the District is currently losing the cost recovery expectation of some services that the District has let the committees take over, which are areas that are at the top of the pyramid such as concessions, and the District's operating should be capitalizing on to improve the cost recovery picture. The problem with letting someone else run those programs is that they do not necessarily want to maximize the cost recovery goals at all times, whereas the District is supposed to want to do that because the District is leveraging the tax dollars. That is the reason agencies are involved in some of the businesses that are at the top of the pyramid, which is to be revenue positive; not to give it away.

President, Joe Blowers, referenced Goal 7, "Revise current non-resident fee policy," and asked what this recommendation might entail.

- ✓ Karon replied that typically what GreenPlay finds is that non-residents of districts pay more. In programs, there is usually a fee differential for non-residents, but it should not be so huge as to totally discourage non-residents when programs are not full. If a district is charging a huge differential or has set up a system that requires a large investment in order to participate, the district is discouraging non-residents and unless programs are full, the district should not discourage non-residents. There are other ways to ensure that residents get preferential treatment, such as early registration. Although GreenPlay has seen assessment fees used by other districts, it is usually restricted to admissions for the annual pass fee and the non-resident purchases an equivalent of what a resident is paying in property taxes at the market rate of the assessed valuation of their home. That way, if non-residents are frequent users, they can buy into the District by paying what a resident would pay in taxes and buy their annual pass at a resident rate. This is done at admissions because the district's facilities are not full. Why would the District want to restrict people from coming in when we are not at capacity?

Larry commented that this is essentially the District's current policy.

- ✓ Bill noted that he believes what Karon is saying is that the non-resident's annual fee should be based on the assessed value of their own home; not using an average for the entire District.
- ✓ Karon replied that it could be calculated either way. She clarified that her point is that the District is currently forcing non-residents to buy into the District for classes and that this is very atypical of districts.

Doug commented that this is an example of an item where the Board may not necessarily agree with the GreenPlay recommendation, except to isolate the non-resident fee is well worth the discussion and consideration of looking at it differently as it might enable the District to reach one of its other goals. If the District is still serving its residents, there is no harm.

President, Joe Blowers, recalled that the Out-of-District Fee Policy was the result of a political situation that had little to do with cost recovery.

- ✓ Bill described how the Out-of-District Fee Policy helps equalize those participating within the District's Affiliated Sports Programs.
- ✓ Karon noted that this issue can be difficult to administer in the case of affiliated sports programs.

Doug inquired whether there is a Board consensus that, at a minimum, it is time to explore and discuss the District's Out-of-District Fee Policy.

- ✓ Joe expressed agreement.
- ✓ Larry replied that there is nothing within the recommendations that he is not at least willing to discuss.

Larry referenced Goal 18, "Review all Intergovernmental Agreements (IGAs), Memorandums of Understanding (MOUs), Rentals and Tenant Leases to reflect cost of service provision and value received." He asked whether GreenPlay saw something specific in some of these agreements that resulted in this recommendation.

- ✓ Karon confirmed that they did find issues within the category that warrant further review. She described how such services could be lumped together within the theme of the District undervaluing a long-term lease agreement of space with renters or tenants that are using facilities on a long-term basis exclusively. Or, where the District has agreements with other agencies that are not just based on the value of service provisions and cost of service provision. She described how undervaluing such relationships is a common theme in the park and recreation industry as a whole in that these agreements were initiated with good intentions at a different time, but now the industry is facing having to sustain ourselves better. This is one of the areas that needs to be further explored via good business principles, and because the District is a steward of public funds, it should be even better at these business principles.

Larry commented that government as a rule does not operate that way; although, not that it shouldn't. He would like to believe that this District's Board has made a more conscious effort to run more like a business than many other governmental entities have.

- ✓ Karon agreed, noting that more agencies are moving in this direction, as well.
- ✓ Joe commented that this is one of the reasons he likes the Cost Recovery Pyramid; because it does not pretend that government is a business, which it isn't, but it moves government toward working more like a business in the areas that it needs to, which are the items at the top of the pyramid, and acknowledges that the items at the bottom of the pyramid are not like a business and can't and shouldn't be treated like one.

President, Joe Blowers, asked for clarification as to why volunteer programs would be placed on Tier 2 of the Cost Recovery Pyramid instead of Tier 1. He asked how it could be expected that volunteer programs recover 75% of their cost.

- ✓ Karon agreed that volunteer programs would never be capable of recovering that amount. While volunteer programs offer a huge return to the District in the efforts donated by volunteers, this placement on the pyramid is pertaining to the cost to manage the program. It is placed on Tier 2 because the public determined via the workshops that it is not a 100% community benefit; that there is some individual benefit received through volunteering. However, it will always be an exception in terms of whether or not it could ever recover 75% of its cost, which only means that other areas need to do better. In fact, some agencies through this process place it on Tier 3.

Bill explained his opinion that Tier 2 is where the public recommends it is placed, but if it is already going to be a loss leader, it puts the others on that tier at a disadvantage by pushing their recovery higher.

- ✓ Karon explained that it is placed on the pyramid based solely on who benefits. The District may just choose to underwrite it.
- ✓ Keith noted that the pragmatic point of view is that the percentage of budget for this program is very small, so it does not have a big impact on the other programs.

President, Joe Blowers, referenced the Level of Service Analysis conducted for the District's trailshed. He asked whether trail amenities within the District, but not operated by the District, were included in this analysis.

- ✓ Karon replied that they were not.

Joe referenced the paved trail that runs parallel to Highway 26 that is operated by Oregon Department of Transportation. He noted that this is a huge thoroughfare for walkers and bicyclists into the District, yet it is not acknowledged on the Level of Service.

- ✓ Keith replied that this was left out most likely due to a limit of the GIS data available.
- ✓ Karon noted that one of the recommendations is to update the District's GIS data.
- ✓ Ann replied that it was not the intent to include other agencies' trail amenities, but that District staff could likely develop two different maps in order to capture one reflecting other agencies' amenities.

Joe agreed that it would be helpful to acknowledge such trails where there is a significant input or output.

- ✓ Karon noted that the Trails Functional Plan to be developed could also help address this.
- ✓ Doug agreed that it would be an interesting acknowledged secondary level of service available.

Joe commented that if the District is making financial decisions and purchasing land for trails, but not acknowledging the input from surrounding areas, it results in poor judgments.

Larry commented that the two draft reports presented this evening contain a significant amount of information to absorb.

- ✓ Doug replied that this is not the last time the Board would be seeing this information.
- ✓ Keith confirmed this, noting that staff will be returning to the Board at their October Regular Board meeting to finalize the Comprehensive Plan Update, along with a discussion regarding an update to the Strategic Plan. The next step beyond that would be to look at the policy adjustments as outlined this evening.

President, Joe Blowers, asked how long the shelf life will be for the new Comprehensive Plan Update.

- ✓ Karon replied that it would be appropriate to have a 10-year vision, but that the District also needs to be updating the Strategic Plan as soon as a significant amount of items have been accomplished, or a minimum of every five years. Conditions change and the District may wish to consider another survey at that point and/or recheck the demographics.

Joe questioned whether an update every 10 years is sufficient when taking into consideration that the plan is continually morphing.

- ✓ Ann described how the Comprehensive Plan will serve as an umbrella, which the functional plans will reside under. With this model, the Comprehensive Plan can stay static for longer, while the functional plans will be more fluid.

Karon challenged the District to discuss and analyze the historical aspects of how things have been done and to have an open discussion around issues such as fundraising efforts.

- ✓ Larry agreed that some of the recommendations presented this evening go against the way the District has always managed certain areas or accomplished certain tasks. The District should not be afraid of this and he believes the Board has shown that it cares about thinking outside of the box and has the best interests of the District at heart.

President, Joe Blowers, stated that he looks forward to the future discussions and thanked Karon and District staff on behalf of the Board of Directors for the informative presentation.

Agenda Item #11 – Adjourn

There being no further business, the meeting was adjourned at 9:00 p.m.

Joe Blowers, President

Larry Pelatt, Secretary

Recording Secretary,
Jessica Collins