

City of Ashland
PARKS AND RECREATION COMMISSION
STUDY SESSION
Minutes
March 20, 2017

ATTENDEES

Present: Commissioners Gardiner, Heller, Landt, Lewis, Miller; Director Black; Superintendent Dials; Interim Parks Superintendent McFarland; Executive Assistant Dyssegard; Assistant Manuel

Absent: City Council Liaison Mayor Stromberg

CALL TO ORDER

Chair Gardiner called the meeting to order at 5:30 p.m. at The Grove 1195 E. Main.

PUBLIC INPUT

There was none.

TWO-YEAR BUDGET REVIEW (INFORMATION)

Black introduced the draft budget for the next biennium, calling attention to a deficit of approximately \$335,000. He explained that the majority of the deficit was caused by large increases in costs for PERS and insurance claims. Black highlighted the disconnect between the flat PERS rate and increasing disbursements.

Black explained that the City of Ashland self-insures and during the 2015/2017 biennium there were several large claims that reduced reserves. He highlighted the importance of restoring the reserves to ensure adequate capital for future claims.

Black said the City of Ashland had indicated that APRC's portion of tax revenue would be approximately \$2.09 per thousand. He commented that during the prior biennium, APRC asked for more and the final agreement at that time represented a compromise. In return, APRC committed to a Performance Audit with the objective that the Audit would point the way to a financial savings and present best practices for increasing revenues. The City agreed to pay for the cost of the Audit (\$52,500) and fund the APRC budget deficit (approximately \$321,000). Black indicated that the understanding resulted in a budget that reflected those funds.

Black noted that the \$321,000 transfer to APRC never occurred. He talked about an apparent stipulation by the City that the funds would be transferred only if needed. This has resulted in the loss of a potential ending fund balance to carry forward into the new biennium.

Black stated that the Finance Department had requested that the Commissioners keep the budget flat for materials and service – one of the areas APRC can monitor and control. Black reviewed examples such as reduced consumption of materials like office supplies or the removal of extraneous services. Consequently, after a thorough review, there were enough savings to reflect less for materials and services than had been budgeted for the previous biennium.

Black discussed the sources of revenue, noting that he was proposing to utilize a portion of the Food and Beverage (F & B) tax revenues for regular maintenance. He stated that while F & B tax funds were typically used for capital expenditures, there were constraints for operational expenses less than \$5,000. Black cited extensive field renovation as an example, stating that even if the cost to renovate was \$5,000, it could not be depreciated, nor

would it necessarily add to the value of the field. The materials and services budget has been set at \$135,000 for the biennium.

Commissioner Discussion

Landt expressed a concern about setting a precedent by using F & B funds for routine maintenance. He stated that utilizing the funds on a regular basis could significantly impact the CIP budget and the ability to accomplish important projects. Landt highlighted the importance of setting aside enough resources to qualify for a revenue bond as an indicator that the CIP budget should be protected. Black replied that the funds would be used as a stop-gap measure in an effort to provide the services the public expects from APRC. He suggested developing criteria or standards to direct future use of the funds and prevent dependence upon the CIP for routine maintenance.

There followed a brief discussion about setting expectations for use of the funds and the process for budgetary approval. Black noted that the unexpected loss of \$321,000 was the main reason for the transfer of funds from the CIP budget. He expressed confidence that explaining the cause and impact of the budget shortfall would clearly indicate its one-time use.

Heller questioned the disconnect over the ending fund balance, asking whether it would be appropriate to research the matter further. Black intimated that the Commissioners could comment on the matter with the Ashland City Council if they chose to do so. That said, the City of Ashland had also depleted its contingency reserves, making it unlikely that the money would be forthcoming regardless of any action taken by the Commissioners.

In response to a question by Landt, Black stated that the \$321,000 would affect the upcoming biennium because of the lack of a carryover fund balance. He referred to a working capital graph that demonstrated the historic downturn. He explained that the carryover amount had been decreasing since the 2012-2013 biennium. Landt stated that it was his understanding that any carryover from year to year was returned to the City's General Fund rather than serving as an ending fund balance for APRC. Black noted that the City allows retaining a portion of the ending fund balance for carryover into the next year. He stated that if the transfer of \$321,000 were to take place, working capital carryover would be approximately \$200,000. Black emphasized that the budget process was still underway and the City of Ashland and APRC were reviewing the proposed budget. He stated that there were still areas where revenue and expense formulas didn't agree. He said work on the budget would continue until a consensus could be reached.

Landt asked whether using F & B tax funds for maintenance would be needed if there was an actual carryover fund balance. Black talked about efforts to cut expenses and increase the amount of funds remaining in order to create a carryover. He noted that workforce efficiencies were under review with an eye toward decreasing dependence on temporary personnel. Trainings were postponed and reviews to increase revenues were also underway.

There followed further discussion about the allotment of F & B funds. Landt stated that in the last biennium, APRC requested \$2.11 per thousand. The City of Ashland projected revenue at \$2.09. Black stated that the bottom line for all APRC revenues changed from \$12,245,000 for the previous biennium to a projected \$13,023,000 for the 2107-2019 biennium.

Lewis expressed a concern about sustaining the budget if it were to become necessary to regularly transfer money from the F & B tax fund for routine maintenance. He indicated his preference for a one-time use. Black stated that in his opinion, it would only be used once. He said that PERS obligations increased 23% this year. Black also said that the increase in insurance costs was due to several extraordinary claims; once the insurance fund was rebuilt, the cost to self-insure should decrease.

Heller inquired about the potential for additional funds from the Ashland Parks Foundation. Black explained that Foundation funds were mostly earmarked for specific projects. He said interest earned on the portfolio balance was traditionally used to sponsor scholarships and he indicated that bequests were normally project-oriented. He noted that APRC receives small subsidies from the Foundation (when the Foundation is able provide grants) for APRC programs or services. Based on a good year of investment growth in 2016, the Foundation would be providing up to \$16,000 for 2017 grants and scholarships for qualifying organizations.

Black detailed unexpected expenses in the last biennium such as a waterline break and the failure of a water pump. He stated that he hoped to provide a second pump so a backup would be in use while waiting for repairs on the original equipment. Other unexpected expenses included an increase in legal fees and retirement obligations. Black noted that setting money aside for future liabilities was a good management practice, and APRC would try to build a fund for that purpose within limitations imposed by the City of Ashland.

Black introduced the proposed CIP budget for the biennium. He noted that F & B revenues continued to increase although the fund could fluctuate widely and the revenue source would eventually sunset.

Black stated that funding would continue to be provided for a project manager. Projects were accounted for with the highest priority being the rebuild of the Daniel Meyer Pool. He explained that because the funding for the rebuild would be a bond, it was important to budget a little over the estimated costs. If anticipated correctly, the bond would not affect the operating bottom line

Black explained the land acquisitions budget, including those projects carried forward from the prior year. \$1,805,000 was budgeted for property acquisitions, including the purchase of the Imperatrice property. Also on the books carried over from the prior biennium was a second dog park.

New for this biennium was a plan to identify the possibilities for six to eight pickleball courts. There followed a brief conversation about the pickleball courts, with Heller noting that the money set aside for the project was not what he anticipated. Black replied that the cost to resurface a tennis court was approximately \$12,000 per court. Maintenance costs for the courts at Helman were also a factor. Black indicated that while the courts were not covered to the extent that Heller would prefer, the process to develop a plan for pickleball courts was included in the upcoming budget.

Also in the planning stages was the potential for a master plan for various other needs such as a relocated Parks shop and skateboard park. \$75,000 has been set aside for that purpose.

Black highlighted the Oak Knoll Cart Path line-item carried over from previous biennium. He recommended that the \$300,000 set aside be reduced to \$150,000. The Daniel Meyer Pool Solar Panel has been combined as part of the pool rebuild and new cover. Other changes included the removal of APRC restroom auto-lock doors from the CIP as the locks did not qualify as a CIP project.

Heller questioned the \$1.8 million budgeted for property acquisitions. Black stated that approximately \$800,000 was budgeted each biennium for land acquisitions *should land become available*. He noted that there were a number of land acquisitions that were currently underway, causing the budget line-item to increase to \$900,000. If an opportunity for land exists, funds would come from a bond or alternative sources of revenue. No funds would be spent if the bond was not approved. Heller commented that the money set aside for pickleball courts was not proportional to the proposed budget for land acquisitions. Black explained that the two items were funded differently. New pickleball courts could come from SDCs (systems development fees) but resurfacing tennis courts could not be funded from that source. He detailed the strategies involved in obtaining a bond and reviewed the steps needed to balance the budget.

In response to a question by Lewis, Black reviewed the process needed to obtain a bond, explaining that preliminary drawings must be submitted along with a working budget. A basic interior design is also presented at that time, depicting approximately 30% of the design detail.

Black stated that the goal for replacement of the Daniel Mayer Pool would be to meet Ashland's needs. Providing an opportunity for local swim competitions would be appropriate while regional meets would require a larger pool.

Miller asked for a quick update on the project. Black stated that a small group of interested parties had planned for a presentation to City Council and local architect Jac Nickels volunteered to draw up preliminary plans. A working survey was also planned.

Landt recommended the formation of an Aquatics Subcommittee to formulize the beginning processes. Gardiner agreed, noting that Miller, Black and Gardiner would be appointed to begin the design work.

Black continued with budget recommendations, suggesting that the \$250,000 budgeted for the Oak Knoll Cart paths be reduced to \$150,000 for the next biennium. He further recommended that the second phase of the Grove/Admin office remodel be reduced to zero.

Responding to a question by Miller, Black noted issues with regard to the gravel pathways. Building upon the existing compacted gravel base with asphalt pavement would be cost-effective in the long run because of the excessive maintenance needed to keep the gravel in good condition. Black commented that he would prefer the project to be tiered, with the first phase completed during this biennium and Phase II budgeted for the succeeding biennium.

Finally, Black recommended that the \$100,000 for building additional offices at the Grove be removed from the budget altogether.

Landt asked about the proposed Oak Knoll Neighborhood Park and the Chitwood Park. He inquired about public interest, highlighting areas where neighborhood parks were not wanted such as the neighborhood at the top of Strawberry Lane. Landt expressed some ambiguity regarding a playground at the Oak Knoll Golf Course because of the few children in surrounding neighborhoods.

Gardiner stated that he voted for the playground at Oak Knoll – assuming that the project was a second-tier project. He explained that the rationale was that Oak Knoll Golf Course was a destination and additional amenities would increase the number of people utilizing the property.

Heller noted that he had voted for a neighborhood park on the Chitwood property primarily because there was a lack of neighborhood parks in the area. Lewis relayed some of the historic background about the property, adding that the lack of available parking would constrain the use.

Miller advocated on the proposed re-write of the Calle Guanajuato policy – indicting that the Calle had the potential for increased revenue.

Black stated that an Equipment Fund was established to segregate purchases for large items such as trucks and loaders. The establishment of the Fund was an appropriate avenue for separating large equipment capital costs from the CIP budget. The former Ashland City Administrator had recommended borrowing \$439,000 from the City's General Fund to allow for the purchasing of equipment as needed. Black stated that those funds were not transferred from the City to APRC and therefore no payments were due. Black explained that each vehicle was put

on a schedule for eventual replacement. APRC paid rent on vehicles calculated for future replacement. He stated that the Fund currently had a balance of \$117,000 and would continue to build over time. The Fund would increase by approximately \$80,000 this year. Black indicated that the cost for replacement vehicles was approximately \$200,000 annually.

There followed a brief discussion regarding the Fund's slow growth and the amount that would be needed for the biennium.

Black described APRC's three budgetary areas: Parks and Recreation Fund (covering materials and program costs for Recreation), the CIP Fund (earmarked for capital projects) and the Equipment Fund. In response to a question by Heller, Black stated that large equipment was generally shared between the City and APRC.

GOALS

Black reviewed the goals prioritized by the Commissioners, including carryover goals and new goals and placeholders. He relayed that facilities and programs received no votes, and many of the top ten goals had received tie votes. Black recommended that there be continued discussion of the top ten:

- 1. Continue to purchase property in accordance with Open Space Master Plan to enhance open spaces, trails and neighborhood parks***

Lewis noted substantial progress and continued emphasis on this goal.

Landt suggested that the goal be integrated into the Trails and Open Space Master Plan. Black agreed, stating that it could be removed from the vote.

- 2. Install a paved cart path overtop of the existing gravel cart path around the entire Golf Course***

Gardiner stated that he wanted to keep this top-of-mind. He commented that the gravel paths were degrading and the amount of care needed to maintain them was not cost-effective.

Miller noted that the cost savings was worth pursuing.

There followed a discussion about budgeting for the project and proceeding in stages. It was agreed by consensus that it would be prudent to partially complete the project during the upcoming biennium and address the reminder in the following biennium.

- 3. Evaluate grants and other funding opportunities for a nature play area at North Mountain Park***

Dials spoke in favor of the project, stating that the plan would attract funding. She noted that a small amount of money set aside in the budget facilitates consideration for grant funding, and matching funds was a common requirement. Dials talked about the benefits of building an all-natural play area, noting the synergy with the Nature Center's educational programs.

Landt supported the request, stating that the estimated commitment be limited to providing matching funds. He suggested setting aside \$15,000 in anticipation of grant funding.

- 4. Continue to enhance the Oak Knoll Golf Course by upgrading the interior of the Golf Course Clubhouse***

Dials stated that while this was not a top priority, it was an opportunity to enhance revenue. She highlighted plans to upgrade the kitchen to commercial status so the facility could be rented out for events. Dials acknowledged that there were other pressing concerns at the Golf Course including the cart paths and crumbling irrigation infrastructure. Dials said APRC had an obligation to preserve the asset whenever possible.

Gardiner advocated for restoration of the Golf Course. He highlighted the potential for generating increased revenue.

5. *Create a neighborhood park at the Oak Knoll Clubhouse toward fulfillment of the quarter-mile goal as outlined in the Open Space Plan*

Gardiner reiterated that a neighborhood park would enhance the facilities at Oak Knoll, adding to the cache as a destination.

6. *Plan and develop a small neighborhood park at the Chitwood property*

Dials noted that the property was considered unattractive and a neighborhood park would create an inviting open space. She suggested that the area had a potential for pickleball courts. Heller also advocated for the park, stating that the cost to renovate would most likely be modest.

Lewis reiterated that there was very little available parking in the area.

7. *Rewrite the Calle Guanajuato Space Rental Policy while specifically evaluating the fee structure and restaurant space allocation priorities*

Miller noted that the fee structure had been settled for the 2017 season but space allocations remained problematic. He commented that a re-write would take some staff time but, once completed, might actually decrease the amount of time needed to administer the policy.

There followed discussion about a property assessment to determine whether fair market value would assist the Commissioners in setting the fees. Black stated that securing an assessment was a commitment aside from a potential re-write.

8. *Give Pioneer Hall back to the City of Ashland*

Black talked about the rationale for returning the building to the City, stating that managing the building for the City was not cost effective. He explained that the cost to rent the building annually was \$15,000 and maintenance costs were at approximately \$10,000. He said a good year would reflect a small loss (\$5,000) and that revenue rarely if ever exceeded \$20,000.

Black stated that the building was used as a cold weather shelter for the homeless three/four days per week in the winter. Cleaning the facility and returning the building to rentable status after shelter nights took APRC staff an additional half day of work. He noted that no revenue was generated for shelter use.

Discussion continued about returning the building to City management. Black hypothesized that the intent for renting the facility to APRC was so that it could benefit APRC.

Landt agreed with the necessity to return the property to the City of Ashland with the caveat that the matter should be prioritized. He referred to the Senior Center as a similar but more pressing situation. Landt stated that it was not a matter of “if” but more a matter of “when.”

Lewis asked whether postponing negotiations for the Hall would delay resolution for the biennium. Black stated that the issue could be addressed in the next fiscal year, when rent was due. The budget would include \$15,000 for one year rather than \$30,000 for the biennium.

Heller stated that it made sense to raise the issue promptly, given the operating loss impacts APRC experienced when resources were limited.

Black said that if the building were owned by a private owner rather than the City of Ashland, and APRC was managing the property at a deficit, there would be no question about dealing with the continued losses.

It was agreed by consensus that the matter would be addressed during budget negotiations. At the suggestion of Commissioner Landt, the issue remained as a priority goal until a direction could be solidified.

9. *Wildlife Preserve designation through easement and purchase agreements for Ashland Pond and around/through the few remaining private properties with dogs excluded from part of the area after one or two bridges are completed allowing a logical path for not only pedestrians, but also for dogs and their owners.*

Landt introduced the topic, stating that easements were essential for public access to Ashland Pond. He explained that negotiations would secure easements that would facilitate access to the area. Landt recommended proceeding with plans to acquire the easements, stating that if left to the future, the opportunity could be lost.

Landt reported that Ashland Pond would qualify as a wildlife preserve. He noted the broad diversity of waterfowl and upland birds as well as the preponderance of other wildlife. Landt explained that the property was being degraded because dogs were not prohibited from the area. He reasoned that designating the area as a wildlife preserve would facilitate environmental protection of the property as it would prohibit dogs from running free while permitting access for those who wish to enjoy the wildlife.

General Discussion and Analysis

Gardiner questioned the plan to pave the cart paths, noting that the decomposed granite pathways had been completed in the current biennium. Black stated that shortly after the granite installation, it became apparent that it could not be effectively maintained. If pavement was planned, then gravel was half the project. Black characterized the project as a high dollar project that would take a minimal amount of staff time. The actual paving would be contracted, with staff providing oversight. As proposed, the project would be partially completed for the 2017/2019 biennium.

The Commissioners agreed by consensus that the project was essentially a new project.

Discussion moved to the request for approval of a Nature Play area at North Mountain Park. Black indicated that staff would work to research and identify funding from a variety of sources. He recommended approval of the project, stating that staff was passionate about the project and would do the work necessary to make it happen. Black stated that he was comfortable with the amount of staff time involved and the small number of dollars that would be set aside by APRC to meet matching fund requirements.

Black noted that refurbishing the interior of the Golf Course was more problematic because the improvements were currently unknown. Work would be completed by contract and advertised by a RFP (request for proposal). He stated that managing the project would require staff oversight.

Black described the proposal for a neighborhood park at Oak Knoll as one that would cost approximately \$120,000 to \$125,000. He stated that the site would need to be engineered, which he characterized as somewhat intensive. In contrast, Black talked about creating a neighborhood park for the Chitwood property, noting that the initial funding (a minimum of \$250,000) would come from the CIP. He recommended careful analysis prior to committing to the project, particularly when funds from the CIP were being withdrawn to maintain existing infrastructure. He reminded the Commissioners that the Performance Audit cautioned against funding projects that could not be maintained. In addition, without parking nearby, adding amenities such as pickleball could generate traffic, an issue that would need to be addressed.

Black commented on the Calle policy re-write, stating that the staff time involved to craft a new document would be significant. He noted that APRC was committed to reconsidering the fee structure, which might satisfy those affected.

Landt suggested that staff time could be minimized if interested Commissioners rewrote the document. Black replied that rewriting the policy would be similar to a planning action in that the public must participate. He added that the failure of the Calle Guanajuato Subcommittee to achieve consensus increased the possibilities for controversy over the details.

Black talked about the establishment of a Wildlife Preserve, advocating for the change as outlined by Landt. He stated that the staff time involved would be minimal and the expense for creating the preserve would be manageable. The purchase of easements for access to the property would be the most significant cost and it could be offset or partially offset by partnering with the Southern Oregon Land Conservancy. Landt added that although the deal was not just a simple trade, there would be money received from property adjustments for one of the two easements.

McFarland advocated for money to begin repairs on the irrigation at the Oak Knoll Golf Course. He discussed the condition of the old irrigation lines and the challenges to remedy leaks. He intimated that irrigation pipes were nearing the end of their usefulness. Although the project did not receive the votes to make it a top priority, McFarland asked for consideration. Black suggested that \$50,000 be earmarked for that purpose.

Discussion followed regarding the irrigation, fairways and greens. There was some debate about listing the project in the priority list. Black noted that regardless of where the line item was, the project would receive some funding – if only on an emergency basis. He stated that it was a known risk that should be accounted for in the budget.

It was agreed by consensus that it would become the tenth (10th) goal on a list of the top ten.

STAFF UPDATES

- ***New Hire for Nature Center***

Dials announced that there was a new coordinator at the North Mountain Nature Center. She stated that Jen Aguayo began work for APRC on the 13th of March. Aguayo had extensive experience in garden management and environmental education.

- ***Bike Swap***

Dials reminded the Commissioners that the Bike Swap would be held on the 15th of April. Bikes and equipment could be dropped off pre-sale on Friday and Saturday, April 14 and 15, 2017

- ***Staff efforts***

McFarland thanked APRC staff for their judicious work in finding ways to save money. He stated that a sincere effort was made to decrease expenses toward balancing the budget.

- ***Tidings Articles***

Gardiner noted that Commissioners Landt and Miller submitted the March "Park View" article to the Ashland Daily Tidings. He stated that the article about the upcoming Lithia Park Master Plan process was top-drawer.

Gardiner reminded everyone that Commissioner Lewis would be working on an article for April. The topic would be the Trails Master Plan Update.

- ***Upcoming Meetings***

Gardiner reviewed the upcoming meeting schedule, noting that the Trails Master Plan Update Committee meeting would be held on Friday, March 24, 2017, and the Senior Center Subcommittee meeting would be held on Tuesday, March 28, 2017.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:50 pm.

Respectfully submitted,

Betsy Manuel, Assistant

These Minutes are not a verbatim record. The narrative has been summarized to reflect the discussions made. Ashland Parks and Recreation Commission Study Sessions, Special Meetings and Regular Meetings are digitally recorded and available upon request.