

Center *for*
Public Service

CITY OF SILVERTON

Parks & Recreation Study

Final Report

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I. EXECUTIVE SUMMARY

A. Issue Situation

The City of Silverton (City) faces complex challenges with its swimming pool, parks facilities and recreation programming. This has been a growing issue for nearly the last decade. While the City's parks serve well for general recreation, organized events and concerts, and playground visits, major limitations in athletic field capacity and funding stymie the City. To explore and address these issues the City has convened a citizen Task Force led by Mayor Kyle Palmer. This report by the Portland State University Center for Public Service summarizes the consulting support provided to the Task Force over the study period of October 2018 to July 2019. Development of a ballot referendum for a new, small special district government to support aquatics, parks and recreation services emerged from the Task Force as a promising solution to these issues.

The City works closely with the Silver Falls School District (School District) to meet the need for athletic league sports; however, School District field capacity is limited, and seasonal conditions of the fields further limits capacity. To serve the community and to protect its facilities, the School District takes on the task of managing and scheduling field use for the community. While the City provides an annual reimbursement to the School District for field access, the School District carries an unreimbursed burden of scheduling and managing field resources. Unreimbursed citizen use of School District facilities adds challenges to maintaining the fields.

The City owns and maintains an indoor swimming pool facility, which is partly funded by a City-wide local option property tax levy. This levy expires on a five-year cycle. The political effort needed to renew the levy takes a high level of political energy. Categorized as a property tax local option levy, the pool levy would be among the first taxes reduced under circumstances of property tax compression.

In recent years, the City has made substantial capital investments in the pool facility including energy efficiency improvements. Per the City's budget analysis, the City expects to invest \$877,000 in capital improvements in the pool through fiscal year 2020-21. At that point, capital requirements for the pool will be fully met, and the facility could be transferred to a new special district without immediate needs for reconstruction or replacement.

The City contracts with the Family YMCA of Marion and Polk Counties (YMCA) to operate the pool facility and to provide aquatics programming. Under the contract agreement with the City, the YMCA keeps all pool user fees and program generated revenues. This arrangement limits the City's ability to know the exact the level of revenues the pool generates, and whether that revenue comes from City residents or out-of-City residents. The YMCA imposes a single rate user fee, which prevents collection of an out-of-City user surcharge.

The City currently collects property taxes and some user fee revenues to pay expenses for parks and the pool. These are City-wide tax revenues and resources, which City residents and

businesses pay. However, pool and parks users come from both within the City, and from the surrounding areas of Marion County. The community needs a way to ensure a fair distribution of property tax burden across all citizens and businesses with potential to use and benefit from the facilities.

As early as 2012, the City established a Parks and Recreation Task Force to understand and to make recommendations on these issues to the City Council. The Task Force has continued its work throughout this study period under the leadership of Mayor Kyle Palmer. To more fully understand the issues, to better understand the procedures for establishment of an aquatics and parks special district, and to objectively gauge public support, the City engaged the Portland State University Center for Public Service (CPS) for consulting services.

B. Center for Public Service (CPS) Involvement

After initial contact and negotiation, the City and CPS agreed to a joint intergovernmental agreement (IGA) for CPS to provide consulting services to the City on issues of parks and recreation services, governance, and finances. The IGA contract was signed in October 2018. CPS established a work team of faculty and graduate students, and project work began thereafter. Major work tasks in the IGA included:

- developing a current status profile of the City's parks and pool facilities, finances and issues;
- exploring alternative governance arrangements under Oregon law;
- defining in detail, the procedures and timeline for special district formation;
- developing alternative scenarios for special districts;
- evaluating alternative scenarios; and
- developing recommendations.

The City exercised a proposal option for CPS to develop and field a survey assessing citizen opinion on parks and pool facility use, special district formation, and taxation acceptance. The City also exercised an option for CPS to facilitate three focus group listening sessions of the Parks and Recreation Task Force. The CPS team provided these services along with supporting materials, including: memos, survey results and analysis, financial analysis, and Power Point slides. Contrary to early expectations, the contract did not cover issues related to the Oregon Gardens commercial attraction.

Based on the flow of the work, the needs of the Task Force members and the City, and the CPS team schedules, both parties agreed to a no-cost extension of the contract until June 30, 2019.

CPS provides this report as the final work product for the contract. Dr. Kent Robinson will present this report and the CPS team's recommendations at the Aug. 5, 2019 City Council meeting.

C. Key Findings

After research of City documents, scholarly and internet sources, and facilitation of three Parks and Recreation Task Force meetings, the CPS team identified these key findings:

- A Task Force preference to retain parks lands and facilities in City ownership.
- A Task Force understanding to take care of existing City facilities and to secure sufficient and sustainable funding for parks facilities and programs.
- A Task Force focus on a very small-sized, efficient government response, which would aggressively leverage community assets to support parks facility development and recreation programming.
- A need to develop a service, governance and taxing package that would be acceptable to the community voters inside and outside the City boundaries. A citizen group leading this effort should speak to the entire community inside and outside the City when discussing these issues.
- After consideration of other legal options, a recognition that the independent special district structure under Oregon Revised Statutes (ORS) Chapter 198 was the most effective form of governance for the situation and needs.
- A recognition that a package must provide for development of parks facilities for general recreation in addition to improvements in athletic field access.
- A view that the development of new athletic field capacity may need to be handled sequentially following other investments.
- A strong desire to retire the local option pool levy in favor of a permanent property tax rate that ensured stable, continuous funding. A permanent property tax would also have greater protection of revenues under conditions of tax compression.
- A desire to capture and leverage volunteer participation, financial donations, and in-kind contributions to support program operations and facility development.

The program assessment and public opinion survey results generated a set of key findings:

- About 2/3rds of survey respondents indicated that the City parks and recreation facilities are well managed and in good repair.
- But, about half of respondents indicated that recreational facilities and opportunities are not meeting the needs of all residents.
- Respondents indicated when they want to visit a City park, it is easy to do so; however, about 40% indicated that it was not always easy to find a particular recreational activity or sport.
- Coolidge-McClaine park was the most used facility, followed by the pool, the Marine Park and Reservoir, Town Square, and Community Center/ Gym.
- Relative to parks district formation, 46% indicated they would support a district, about 15% indicated they would not, and 39% were unsure or didn't know. The size of this last

response indicates the need for intensive public education to gain voter acceptance of a new district.

- Over 35% of respondents indicated they would pay an additional \$1 to \$10 per month to support increased parks; while just over 20% indicated they would pay between \$11 and \$20 more per month.
- About 20% of respondents indicated they would pay nothing more per month for additional parks and recreation services.

D. Recommendations

After reviewing published plans and literature, facilitating discussions with the City Task Force, and conducting financial and legal analysis, CPS has formulated the following recommendations for the Task Force, City Council, and the larger community.

- Once the City Council adopts a resolution agreeing to establishment of a special district, establish the City as a neutral provider of factual information on these issues. A citizen advocacy group will need to manage the campaign for voter adoption of a new district.
- We recommend that the community move forward with efforts to establish a small staff (3.5 FTE), independent aquatics and recreation special district (ORS 198), with a service area covering the City and the surrounding unincorporated area. The possible boundaries of a special district are still under development by the Task Force.
- A special district for aquatics, parks, and recreation would:
 - operate and maintain the pool facility through contracted services;
 - secure a site for and develop an athletic fields facility;
 - provide grants to the City and the School District to develop and better manage existing resources;
 - generate governmental revenues from property taxes and systems development charges (SDCs).
 - convene and coordinate volunteer efforts to operate and maintain existing parks, to help raise funds, and to build new fields and facilities.
- An aquatics, parks, and recreation special district with broad boundaries would capture most users, allow citizen fair representation on the district board, and source property tax revenues across the full community of potential users. Special district boundaries encompassing the full user community in unincorporated areas should help to alleviate the current unfairness of the user free-rider problem (e.g. out-of-City users).
- CPS has outlined in detail, the special district establishment process (Appendix B). A memo summarizes the Oregon law and procedures for city consent, petition preparation and filing, county board public hearings, and election for voter consent.

- The City Council would need to adopt a resolution to approve the petition to allow formation of a special district.
- To fund a hypothetical, small (3.5 FTE) special district, a \$0.85/\$1,000 permanent property tax rate appears sufficient. Based on budget analysis for a six-year start-up period, this level of tax revenue should be sufficient to operate district administration; maintain, operate, and provide programming for the pool facility; identify and procure a site for an athletic field complex; design and build an athletic field complex; provide grants to community partners; and establish a capital investment savings fund.
- The Task Force and the City Council should strongly consider a slightly higher property tax permanent rate of \$0.90/\$1,000 or \$0.95/\$1,000 to provide adequate room for increasing labor, health insurance, and general operating costs over decades of operations. As a reminder, once established, a property tax permanent rate for a special district **cannot** be changed (per Measures 5 and 50). In any given year, the district is not required to levy the full permanent rate limit. In other words, the district may certify a levy at any amount equal to or less than its adopted permanent rate.
- The City would retire the Pool Local Option Levy. Future revenue for the pool would be generated by the special district's permanent tax rate.
- Corresponding to the taxing authority and flow of revenues, the City would transfer ownership of the pool facility to the special district. This follows from the parks and recreation special district authorization to generate revenue to provide services specified at ORS 266.410(5). With the City, the district would agree to a valuation of the pool facility and negotiate a pool facility transfer agreement. The district would identify any additional capital replacement or reconstruction necessary for the pool facility as part of the valuation.
- To ensure financial sustainability of a new special district—specifically, to define the total annual reimbursement provided to the contract provider for pool operations and programming. The special district should record and deposit all user fee revenues in its own district accounts, then determine monthly or quarterly payment to the contractor.
- With establishment of a special district and property tax levy, the district should move to accumulate resources in a savings fund to reduce future debt principle. In addition, fill all contingency funds and reserves to meet budget statutory and best practice levels.
- As soon as financially and administratively feasible, a new special district would identify and move to take ownership of a site for an athletic field facility.
- The Task Force needs to engage in a discussion over the strategic question of the athletic field quality. For example, should a complex have fields built to a medium-level tournament

quality (e.g. a draw for regional events), or should the fields be built to a neighborhood high-quality practice field standard? Annual maintenance costs would condition this choice.

- Engage architectural services on the basic design features of athletic field location and design, field and site drainage, and facilities, parking and road access.
- Take a loan to pay for the athletic field complex, balancing payment total cost with interest, community capacity to pay, and the loan term.
- A special district could provide grants to the City and School District to support the development of existing sites for parks, recreational facilities, trails, and athletic fields. The City and School District could use these grants to develop and repair parks facilities and to increase field capacity. The availability and size of the grants reflects available property tax revenues (including any compression), debt payment requirements, and any need to fill and maintain financial reserves.
- The special district should support its community convener role by (1) creating an independent, non-profit community foundation with a mission to support the parks district and recreational opportunities in the area, and (2) making grants to community groups and nonprofits. These activities would support facility development, recreational programs, and community events.
- Establish a “Friends of the Special District” 501c(3) independent nonprofit foundation. The foundation may receive tax-deductible donations of money, and in-kind labor and resources. The foundation can act as a private actor separate from the special district government. Such foundations may be able to secure funds not available directly to the district.

II. UNDERSTANDING OF ISSUES

A. Summary Understanding of Issues

The purpose of this project is to use existing and new data compiled and developed by CPS to address current issues regarding the City's parks and recreation services and to develop some options for future funding and management of the parks and recreation program for the City's consideration. In particular, the City would like to review what a parks and recreation special district might look like and whether such a district could address current staffing and revenue limitations and provide for future needs of the parks and recreation program. With Silverton's population growth projections, it will be important to ensure that the parks and recreation programs have diverse, stable funding and are able to grow with the community.

In 2012, a Parks and Recreation Task Force recommended moving forward with a parks and recreation special district. Since then, the makeup of the City Council has changed, and the continuing Task Force kept this option at the forefront of their recommendations. In addition, a Parks and Recreation Master Plan was developed in 2008 and a Community Survey was performed in 2016 that give a lot of insight to the future of Parks and Recreation at Silverton. The current project will add the insight of a survey and focus groups to these prior efforts. The new information will give more detail to some of the prior findings and update the information in some cases. Finally, the current project will outline some options for Silverton to consider in deciding the future of its parks and recreation services portfolio.

B. Detailed Understanding of Issues

B.1 Staffing and Resources Limits

The City and the School District are both reaching staffing and resource limitations in terms of their ability to manage the growing portfolio of Silverton area parks and recreational opportunities. At the same time, the community desires growth in the parks and recreation services provided and puts high value on this component of community life. The Parks and Recreation Master Plan (2008) notes in several places that Silverton is at a "tipping point" in terms of the sufficiency of available resources to provide parks and recreation services. Now 11 years later, these issues have not resolved and the City and community continue to feel that change is required to best manage and expand recreational opportunities. Other observations include:

- Coordination of youth sports by school staff is becoming increasingly difficult as the number of playing fields is limited while the number of players continues to grow.
- Renewing the pool levy every five years is not seen as a sustainable method of funding for the Community Pool. A more permanent solution is needed that does not require voter approval every five years.

- A question remains about the Senior Center and its current funding by a local non-profit. The City currently subsidizes the Senior Center by an amount of \$5,000 after the Center demonstrated an emergency situation due to financial hardship. This indicates that the Senior Center’s funding sources may not be consistently stable.

B.2 Expanding Parks and Recreation Program to Surrounding Areas to Capture New Revenue and Free-Ridership

There is interest in expanding the ability to capture revenue for parks and recreation outside the jurisdiction of the City in order to better match benefits and use to revenue. Reaching out to new patrons could increase the revenue sources for the program and reduce any free rider problems that may exist from patrons making use of the parks and recreation services but not paying taxes to the City. When people use facilities from outside the jurisdiction of Silverton, they receive the benefit of the operations, maintenance, and capital improvement costs that are paid for by City residents.

B.3 Expanding Existing Parks and Recreation Opportunities

The City of Silverton is considering development of future parks properties (particularly outdoor recreation fields) as well as expanding the types or locations of recreation (e.g. pickleball or geocaching). The community has stated a strong preference for enhancing parks and recreation opportunities and the City is considering whether it can take on this additional capital development, operations, and maintenance. A new facility such as a multi-use covered sports complex or a new outdoor complex would allow for more sports (potentially extending usable times during the year). Rain is often a barrier to athletics for uncovered fields. There is also an interest in developing existing parks properties, establishing a more robust trail system, and other recreation opportunities for households without children.

B.4 In- and Out-of-Town Dilemma

The Parks and Recreation Task Force voiced a strong opinion that there should be a unified approach to the issues outlined above. There is some history to an in- and out-of-town or city/agricultural divide that has manifested in past elections. Any ability to mend a real or perceived divide between those residing in the City limits and those outside should be pursued. The School District jurisdiction and the Library District both represent in- and out-of-town residents. These can be good examples for unifying these groups. Youth athletics, as an example, have teams playing from all over and this would continue to be the case with a new recreation district. Therefore, the artificial divide does not serve the district or the constituents for these services and supporters of a recreation district should work to “sell” the idea rather than exclude areas that may be perceived as unsupportive of such a district. Along these lines, the name of the district could be a way to create unity - avoiding “City of Silverton” in the name (e.g. “Silver Falls,” “Silverton Area”).

B.5 Creating Buy-In

Similar to the unity issue in section B.4 above, several questions were raised by the Task Force about caps, zones, differential rates, etc. for agricultural properties in order to create buy-in for a new district. There was some concern that where people do not have kids in school or in athletics, there may not be resounding interest in a new taxing district despite the community benefit. The ability to keep rates down for some types of properties may help to create buy-in for the district, help ensure its success on the ballot, and at the same time create a larger, more inclusive district for parks and recreation.

III. PORTLAND STATE UNIVERSITY CENTER FOR PUBLIC SERVICE (CPS) INVOLVEMENT

Project Proposal and Contract Provisions

After initial contact and negotiation, the City and the CPS agreed to a joint intergovernmental agreement (IGA) for CPS to provide consulting services to the City on issues of parks and recreation services, governance, and finances. The IGA contract was signed in October 2018. CPS established work team of faculty and graduate students, and project work began thereafter. Major work tasks within the IGA scope of work included:

- developing a current status profile of the City's parks and pool facilities, finances and issues;
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- developing alternative scenarios for special districts;
- evaluation of alternative scenarios; and the
- development of recommendations.

The City exercised a proposal option for CPS to develop and field a survey assessing citizen opinion on parks and pool facility use, special district formation, and taxation acceptance. The City also exercised an option for CPS to facilitate three focus group listening sessions of the Parks and Recreation Task Force. The CPS team provided these services along with supporting materials including: memos, survey results and analysis, financial analysis, and PowerPoint slides.

Based on the flow of the work, the needs of the Task Force members and the City, and the CPS team, both parties agreed to a one-month, no cost extension of the contract until June 30, 2019. Contrary to early expectations, the contract did not cover issues related to the Oregon Gardens commercial attraction.

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Team Personnel

The project proposal and the IGA recognized the involvement of Portland State graduate students on the project team. Involvement on the project team is one way for students to bridge the professional development gap between their degree course work and excellence in professional service. Graduate students and recent graduates on the team included:

- Paul Manson, Public Affairs and Policy Ph.D. candidate
- Kelly Sherbo, Public Affairs and Policy Ph.D. candidate
- Christian Smith, recent graduate from the Master of Public Policy program

Dr. Kent Robinson is Assistant Professor in the Department of Public Administration at Portland State, and Senior Fellow at CPS. Dr. Robinson served as Project Leader for the project, with Paul Manson serving as co-leader.

Approach and Strategy

The issues raised in this project of community governance and local government service program design were very familiar to the CPS team. All of the CPS team members have professional experience that directly related to the project issues and situation. Kent Robinson and Paul Manson had worked on CPS projects on annexation and public safety service design. Kelly Sherbo serves with the Multnomah County Drainage District and is studying special districts as the subject of her dissertation, and Christian Smith has long years of experience in urban renewal and development in East Portland.

Strategies that guided the CPS team in their approach to the project included:

- Facilitate the City Task Force citizen members and the community in their dialogue on the parks development and capacity issues. These issues include the level of service capacity, development of new facilities, maintenance of current facilities, recreation programming, pool operations and programming, and athletic field coordination and cost sharing issues. Rather than prescribe out front, support the Mayor and City Manager in their efforts to develop community dialogue and a direction on these issues.
- Listen carefully to all the voices on the Task Force and record as many perceptions of the issues as possible.
- Practice truth in costing and financial situation in describing the current parks and pool situation, and the financial sustainability of possible scenarios. Fully face and respond to revenue limitations and financial sustainability issues, especially within the limitations of the Oregon property tax limitations (Measures 5 and 50).
- As the Task Force meetings unfolded, the CPS team recognized a need to respect and embrace the small-town sense of community and contribution that drives civic life in the Silverton area. This is not an anti-government attitude but rather a pride in the civic capacity of the community. CPS noted a need to recognize and support the financial donations, in-kind donations, and volunteer labor of citizens, businesses, and parents to make parks, recreation, and aquatics programs work.
- To gently structure and bring a stronger formality to the interpersonal relationships that currently structure in-kind donations, volunteerism, and governance on the parks and aquatics issues. Bring realization that the current, very positive, person-to-person relationships that make relationships work between the City and the School District, and the City and donors, may turn out to be very different for a new special district ten years

into the future. A level of formal contracts by local governments and by an independent 501c(3) Friends of Parks foundation will help to ensure firm but clear working relationships in the future.

CPS Activities Supporting the Task Force

To support the City's Parks and Recreation Task Force, the CPS team prepared meeting materials in advance, and then at Task Force meetings presented survey and analysis results.

The CPS team facilitated Task Force meetings on:

- April 16, 2019
- May 29, 2019
- June 10, 2019

And prepared meeting materials for Task Force meetings on:

- July 8, 2019
- July 22, 2019

IV. EXISTING RESOURCES FOR PARKS AND RECREATION

This section reviews the existing levels of staff, equipment, materials, costs, property and capital, debt obligations, and revenue and budget levels that are dedicated to parks and recreation activities.

A. Parks and Recreation Resources

The City and School District currently provide much of the parks and recreation services for the City and surrounding community.

Currently, the City maintains about 247 acres of parkland in addition to the community center and community pool (Silverton Parks and Recreation Master Plan, 2008, p. 9). Parks throughout the City cost an estimated \$350,000-\$400,000 annually (Parks Assets PowerPoint). It is important to have an understanding of the total parks and recreation assets in order to fully consider options that may include splitting responsibility for the assets. It is also important to understand the condition and upkeep costs for each asset in the case that any or all of them are transferred to a new parks and recreation special district.

Coolidge-McClaine Park.

Coolidge-McClaine Park consists of 9.95 acres and is valued at \$1,212,610. It is the largest park within Silverton City limits. Total revenue from park reservations in FY18-19 is budgeted at \$1,800. The Silverton Parks and Recreation Master Plan (2008) notes that this park is beyond its carrying capacity (p. 14).

Old Mill Park.

At approximately 7.7 acres, Old Mill Park is connected via footbridge to Coolidge-McClaine Park. Old Mill Park resides on the same tax lot as the Silverton Community Pool, the Silver Falls Library, Silverton City Hall, and Coolidge-McClaine Park, making valuation of this specific property difficult to isolate.

Lincoln Street Park.

Lincoln Street Park is approximately .14 acres and valued at \$45,000. This is a small neighborhood park primarily used by area children.

Pioneer Park.

Pioneer Park is approximately 1.97 acres and currently has no assessed tax value per the Marion County Assessor.

Silverton Marine Park and Reservoir.

The Marine Park property is approximately 96.16 acres and is valued at \$848,210. Budgeted parking fees revenue for FY18-19 was \$21,000. The park itself is approximately 10 acres, while the lake formed by the reservoir has a surface area of 65 acres. The Parks and

Recreation Task Force feels this property is underutilized and could provide more recreational opportunities (April 16, 2019 Task Force work session).

Silverton Dog Park/Judy Schmidt Memorial Skate Park.

This property includes open land and covers approximately 11.63 acres, valued at just under \$450,000.

Town Square Park.

This park is approximately .62 acres and is valued at \$352,010.

Silverton Community Center.

The Community Center is an armory that was constructed in 1925. Community center reservation fee revenue is budgeted at \$5,000. This revenue is presumably from rental of the facility.

Silverton Community Swimming Pool.

The pool is owned by the City of Silverton and sits on approximately 18 acres. The parcel is also home to the City Hall, Library, and part of Coolidge-McClaine Park. The entire property is valued at over \$5,000,000. The pool is approximately 80 years old (Silverton Parks and Recreation Master Plan, 2008, p. 14). It had been renovated and upgraded around the time of the Master Plan (2008), and the City has made a series of capital replacements and improvements over the last six years totaling about \$94,000. The City has budgeted capital improvements of \$268,000 for FY 2019-20. In the immediate future years, the City has forecasted spending \$609,000 on pool facility capital replacement and reconstruction (City Pool Fund 16 Budget Worksheet).

Senior Center.

The council approved \$5,000 in FY 18-19 for supplemental support for the Senior Center after a financial hardship was demonstrated. The City estimates annual costs at between \$25,000 and \$50,000 (Parks Assets PowerPoint).

Sports Fields.

Sports fields are owned by the school district and provide all of the outdoor athletic fields for the community. Sports fields are located at the following locations: Pine Street Campus, Schlador Street Campus, Mark Twain Middle School and Robert Frost School. Through an agreement with the School District, the City may use the sports fields when not in use by the School District.

Empty Lots/Future Parks Land. For example, the Pettit Natural Area is not currently improved but may be improved as a park in the near future. This property is approximately 80 acres and is valued at over \$5,000,000. Another approximately .2 acre vacant lot sits at Brown and Water valued at \$70,000. Additionally, there are 40 acres located outside the UGB for future parks development valued at approximately \$450,000 (per notes on Silverton-owned tax lots spreadsheet provided by City).

B. Parks and Recreation Budget and Finances

The total FY18-19 Budget for operations, maintenance, and some capital reconstruction/replacement of aquatics, parks, and recreation facilities is approximately \$636,700.

B.1 Current Revenue Sources

General Fund. The General Fund provides \$282,201 to the parks and recreation budget (approximately 3.5% of the General Fund); these are unrestricted funds that can be used for any parks and recreation expenses. Parks and recreation revenues contributing to the General Fund include park reservation fees (approximately \$1,800), rental fees (approximately \$5,000), and reservoir parking fees (approximately \$21,000). There is 1.96 FTE associated with this budget. Currently none of the positions associated with the parks budget support programming for parks and recreation services.

Pool Operations Levy. The Pool Operations Levy is a limited-use local option (5-year) levy, bringing in about \$275,000 per year until FY23-24. The revenue may only be used for specific pool-related purposes but the enumerated purposes are quite broad and include costs for operation, maintenance, and programming.

Parks Fee. The City Council passed Resolution 16-06 in 2016, pursuant to SMC chapter 12.48, which initially set a parks fee of \$1.50 per month per Billing Unit of each Developed Property (these terms are defined in SMC 12.48.010). The fee is collected in a similar manner to a utility charge. The resolution allows the Council to increase the fee annually, although the current fee is only \$1.55 per month per billing unit. City-owned and federally-owned properties are excluded from the fee. The fee can be used for parks construction, operations, and maintenance. A .48 FTE position is associated with this fund. This fee brings in an estimated \$79,500 annually.

Parks and Recreation Improvement System Development Charges (SDCs). SDCs only apply to residential development and can only be used toward new facilities (capital) to support increased capacity needs (not to maintain existing services and assets). In the next fiscal year, the City anticipates approximately \$250,000 in Parks SDCs and the total fund revenue will be approximately \$2 million.

B.2 Current Program Expenditures

Operational Expenses

Staffing / Personnel Services: Currently, about 2.1 FTE is dedicated to park maintenance, which includes seasonal fluctuations as necessary. The City anticipates this need will increase over time as the population grows and more parks property is acquired. (Silverton Parks and Recreation Master Plan, 2008, p. 10). Additional staffing is required for pool operation and maintenance. Below is a breakdown of FTE dedicated to parks and recreation by the City, although City staff estimate an additional .3 to .4 FTE of uncaptured costs.

Table 1: Current City Parks and Recreation Staffing

Position	FTE	Fund
Public Works Director	.05	General Fund
Water Quality Division Supervisor	.04	General Fund
Utility Worker I	.12	General Fund
Utility Worker II	.04	General Fund
Utility Worker III/Lead	.05	General Fund
Building/Parks Maintenance Worker	.25	General Fund
Park Worker II	.9	General Fund
Park Worker I (seasonal)	.48	General Fund
Sewer/Water Operator II	.03	General Fund
Parks Maintenance Worker (seasonal)	.48	Parks Fee Fund
TOTAL:	2.44	

Below, staffing is further broken down by function:

Pool Operations and Maintenance: 0.28 FTE

- Water Quality Division Supervisor (.04 FTE)
- Utility Worker I (.12 FTE)
- Utility Worker II (.04 FTE)
- Utility Worker III/Lead (.05 FTE)
- Sewer/Water Operator II (.03 FTE)

Facilities/Grounds: 2.11 FTE

- Building/Parks Maintenance Worker (.25 FTE)
- Parks Worker II (.9 FTE)
- Parks Worker I (seasonal) (.48 FTE)
- Parks Maintenance Worker (seasonal) (.48 FTE)

Materials and Services:

- Parks and Recreation: Budgeted Materials and Services for FY 18-19 was \$133,200. This includes expenses such as office supplies, travel, janitorial, building/grounds maintenance (\$13,000), utilities, Marine Park expenses (\$26,000), the \$20,000 paid

to the school district as well as other contracted services (\$50,000), and other miscellaneous expenses.

- Pool: Budgeted Materials and Services for FY 18-19 was \$202,550. This includes utility expenses, contracted pool services (including YMCA for programming), equipment and building/grounds maintenance and pool chemicals, and other miscellaneous expenses.
- Parks Fee Fund: Materials and Services for FY 2018-19 was \$15,025 for parks and marine park maintenance and operations.
- Pool Revenues: It is important to recognize that the City receives no user fee revenues from operation of the pool facility. A publicly unknown amount is collected by the contractor who operates the pool. This unknown revenue amount is in addition to the contract cost mentioned in the above bullet point. The City needs to address the policy question of whether this arrangement is sound budgeting. From the City's perspective, there may be other parks and recreation needs that should be funded instead of additional funding for pool operations. This is an opportunity cost issue that should be examined by the City.

Capital Expenditures

Parks and Recreation: For 2018-19, the City has budgeted \$125,000 in parks improvements from the Parks Fee Fund. This investment would complete the overlook facility and includes funds for other improvements to be detailed (City Budget FY18-19, p. 110).

Pool: For 2018-19, the City identifies \$20,000 in capital spending from Pool Levy revenues for a winter pool cover. The Pool Levy Fund (#16) work sheet also identifies up to \$49,000 in capital expenses for the pool for FY18-19. This amount includes \$16,000 for a geotechnical slope stability study, and \$30,000 for a tank lining if the piping test is positive for chlorine.

For FY 2019-20, the City identified \$268,000 in replacement capital costs for pool heaters, pumps, HVAC, and an ADA compliant chair. For FY20-21, the City identifies \$609,000 in reconstruction and replacement costs for the pool. With completion of these investments, the pool facility should be in restored and durable condition for extended future operations.

Contractual Obligations (Budgeted in Materials and Services)

Program Services Contract with YMCA: On July 1, 2018, the City of Silverton entered into a contract with The Family YMCA of Marion and Polk Counties (YMCA) to establish and run the Silver Falls Family YMCA. Payment for the expenses of the contract come from the School District. Prior to this agreement, the School District paid \$8,000 to the City for use of the pool. The exact amount to be paid under the new contract is negotiated between the School District and the YMCA directly.

Pool Operation Agreement with YMCA: Also on July 1, 2018, the City contracted the YMCA to operate and maintain their pool facility and grounds. The YMCA is responsible for setting and collecting fees associated with use of the pool. The City pays monthly installments to

the YMCA for the services, amounting to \$50,000 over two years (until June 30, 2020). The YMCA also collects all pool entry user fee revenues, which is an undetermined amount.

Athletic Field Maintenance Agreement with Silver Falls School District: The City of Silverton currently is a party to an IGA with the School District for maintenance of athletic fields dated August 10, 2009. Under this IGA, the City contributes \$20,000 to the school district annually for field maintenance, irrigation water for the fields at no cost, and paid half of the cost of a mower. This agreement can be terminated upon 30 days' notice and automatically renews each year without further action by the parties.

This agreement provides for an umbrella group for youth sports that is responsible for raising funds, maintaining the athletic fields, and scheduling youth sports activities. A second, "management committee" was also formed through this agreement which is to meet once per year to discuss and resolve issues relating to the maintenance or use of the athletic fields. It is CPS' understanding from talking with City staff and the Task Force that this umbrella group and management committee are not active.

Athletic Field Irrigation MOU with Silver Falls School District: This IGA, effective October 1, 2004, provides that when the school district's well water supply is not sufficient to irrigate the athletic fields at Mark Twain Middle School during the summer, the city will provide irrigation at no cost to the district. This is in recognition of the service to community groups provided by the school district. However, it is limited to this one location and does not address similar maintenance and use issues at other School District locations.

B.3 Debt Obligations

No debt is specifically tied to current parks and recreation properties.

C. Peer Aquatics, Parks and Recreation District Comparisons

To complement the assessment of the current City aquatics, parks, and recreation facilities, programs and finances, and the community's changing demand for services, the CPS team identified a set of example jurisdictions that could support development of alternate service delivery scenarios. A set of peer small aquatics, parks, and recreation districts was identified including:

- East County Parks and Recreation Fund (Cities of Fairview and Wood Village)
- North Wasco Parks and Recreation District (NWPRD) (The Dalles)
- Crook County Parks and Recreation (CCPR) (Crook County & Prineville)
- Sisters Parks and Recreation District (SPRD)
- North County Recreation District (NCRD) (Manzanita, Tillamook County)
- Lebanon Aquatics District (mid-Willamette Valley)
- Greater St. Helens Aquatics District

These peer districts provided governance models, relative scale, and detailed personnel and budget information that was critical to the development of a hypothetical special district model for the Silverton community. Detailed information and comparative analysis of these districts is included under Appendices E, F, and G. The detailed budget information from the Lebanon and St. Helens Aquatics districts, and from Crook County and North Wasco districts provided magnitude and verification on the budget values for a hypothetical service district model. This level of detail is required under ORS 198 for proposals for new special districts.

The CPS team also investigated several other larger districts, nonprofit foundations, and city parks departments for personnel, cost, revenue (systems development charges), and program examples. These examples included:

- Waterfront Community Park Association (Hood River, Oregon 501c(3) nonprofit foundation with tax deductible donations)
- City of Canby Parks Budget (personnel and salaries, mid-Willamette Valley)
- City of Salem (personnel and salaries)
- Tualatin Hills Parks and Recreation District (THPRD) (systems development charges example).

D. References for This Section

City of Silverton. (2008, September). *Silverton Parks and Recreation Master Plan*. Accessed on March 1, 2019 from <http://silverton.or.us/DocumentCenter/View/336/Silverton-Park-Master-Plan?bidId=>.

City of Silverton. (2014) *Boundary Information and Assets*. PowerPoint presented to the Parks and Recreation Task Force on March 12, 2014.

City of Silverton. (2018). *City of Silverton Budget: Fiscal Year 18-19*. Accessed on February 16, 2019 from <https://silverton.or.us/DocumentCenter/View/5263/Budget-FY-2018-2019>.

Code Publishing Company. (2019, July). *Silverton Municipal Code Chapter 12.48: City Park Regulations*. Accessed on March 1, 2019 from <https://www.codepublishing.com/OR/Silverton/#!/Silverton12/Silverton1248.html#12.48.010>.

Marion County Assessor. (2019). Property data for parks and recreation facilities owned by City of Silverton. Accessed March-June, 2019 from <https://mcasr.co.marion.or.us/PropertySearch.aspx>

City of Silverton, Budget Worksheet, City Pool Fund 16 Budget Worksheet

V. EXISTING AND FORECASTED DEMAND FOR SERVICES

Silverton's residents place a high value on recreational opportunities and parks properties. In general, they want to see current parks properties maintained and enhanced, and to have additional recreational opportunities. This demand will only increase as the population trends upward for this area. Below are descriptions of current demand as well as projections for the future.

A. Current Demand

According to a Community Survey performed by the University of Oregon's Community Service Center in 2016, community members valued recreation services at \$10.03 for every \$100 of spending and \$9.86 for parks services. In other words, citizens would be potentially willing to budget 20% of their tax dollars for parks and recreation services. Additionally, several respondents who marked "other" for allocation of their taxes denoted items that could be considered parks and recreation services (e.g. walking/biking trails).

Additionally, over half of the respondents to the questionnaire indicated that they would be willing to support renewing the five-year levy that was passed in 2012 to fund the operation and maintenance of the pool facility. Of those who preferred an alternative, the overwhelming majority selected creation of a new pool district. (Community Survey, p. 32).

B. Future Demand

Use of pool, parks, and recreation facilities reflect the population changes in the jurisdiction. While the City of Silverton urban growth boundary (UGB) population grew by 2.2% from 2000 to 2010, forecasts for 2017-2035 estimate an average annual growth rate of 1.4%. Forecasts estimate the Silverton UGB population of 10,214 in 2017, and 13,076 in 2035. The latter date would be about 15 years into the life of a special district. Facility capacity would need to respond and adjust to this growth (Population Research Center, 2017, pp. 17 & 22).

The exact boundaries for an aquatics, parks, and recreation district remain in development by the Task Force, but forecasted growth rates and trends for the Silver Falls School District may be comparable. The Portland State University Population Research Center (Rynerson, Stewart and Yang, 2017) has prepared a detailed enrollment forecast for the 10-year period of 2017-2027. This is the same timeframe and same forecast group that did the above Marion County / City of Silverton estimates. The forecast analysis selects a "middle series" forecast as the most likely scenario of population growth, but also includes low and high scenarios as context. The enrollment forecast also includes population forecasts by 5-year age increments from Under 5 to Age 85 and Over.

For the Silver Falls School District area, the total population is forecast to grow by 15% over the 2010 to 2030 period (e.g. 19,189 in 2010 to 20,708 in 2030). Average annual growth rate over the 2010 to 2020 period is 0.8%. Over the 2020 to 2030 period, the annual growth rate drops to 0.6% (Rynerson, Stewart and Yang, p. 24).

However, the sub-trends within these district total values are more important. Over the 2010 to 2030 period, the population for Ages 5 to 9, is forecast to grow by 10% (138 people); and Ages 10-14 to grow by 10% (146 people); but Ages 15-17 to fall by -3% (-26). This points to firm growth in demand for youth programs and facilities over the coming twenty-year period.

However, and importantly, the proportion children in the Age 5 to 17 groups contribute to the full population in the district falls over the 2010 to 2030 period. In 2010, children 5 to 17 contributed 20.1% of the total population; by 2030 the contribution is forecast to fall to 18.7%. This falling contribution points to a larger changing demographic in the district area.

Populations of senior citizens in the Age 65 to 69 group, Age 70 to 74 group, Age 75 to 79, and Age 80 and older groups increase at extraordinary rates of over 100% in the 2010 to 2030 period. By numbers of individuals, the Age 70 to 74 group is expected to increase by 793 persons (116%), while the Age 75 to 79 group is expected to increase by 715 persons (159%), and the Aged 80 to 84 group by 418 persons (123%) (Rynerson, Stewart and Yang, p. 24). A new special district will need to respond to the recreation needs of a steeply increasing number of seniors. This may mean increased programming at the Senior Center and special programs at the pool.

C. References for This Section

Community Service Center. (2017, January). *2016 Silverton Community Survey*. University of Oregon, Eugene, Oregon. Accessed on March 1, 2019 from https://silverton.or.us/DocumentCenter/View/4568/Silverton-Survey-2016-Report_FINAL?bidId=

Population Research Center. (2017, June). *Coordinated Population Forecast 2017 Through 2067: Marion County Urban Growth Boundaries (UGB) & Area Outside UGBs*. Portland State University, Portland, Oregon. Accessed on June 26, 2019 from https://www.pdx.edu/prc/sites/www.pdx.edu/prc/files/Marion_Report_2017_Final.pdf.

Rynerson Charles, Scott Stewart and Xi Yang. (2017, June). *Silver Falls School District Enrollment Forecast 2017-18 to 2026-27*. Population Research Center, Portland State University, Portland, Oregon. Accessed on June 26, 2019 from <https://pdxscholar.library.pdx.edu/cgi/viewcontent.cgi?article=1115&context=enrollmentforecasts>.

VI. POLITICAL CONSIDERATIONS

In 1996, local residents voted against a new Silver Falls Parks and Recreation District with a proposed budget of \$318,500 at a margin of about 40% to 60% (Nov. 5, 1996 Election Results). Twenty years later, the 2016 Community Survey indicated that over half of respondents would support a new parks and recreation district (37% would need more information) (p. 33). 62% of respondents indicated that they would support a bond to fund community park amenities. (Community Survey, 2016, p 35). This seems to indicate a trend toward increased political support and willingness to pay for parks and recreation services in the area.

CPS conducted a survey and received feedback from key stakeholders to obtain more detailed and more recent information to add to the discussion presented in the Community Survey. The survey was reviewed by City staff and the Parks and Recreation Task Force. The survey was important to evaluate whether citizens feel differently about their willingness to pay given the Parks Fee and the local option level for pool operations since the time of the 2016 survey. The outcome of this survey is detailed in Section VII below.

Assessment by the Parks and Recreation Task Force members indicated that there may be little to no support on the parks issue in some neighboring jurisdictions.

References for This Section

Community Service Center. (2017, January). *2016 Silverton Community Survey*. University of Oregon, Eugene, Oregon. Accessed on March 1, 2019 from https://silverton.or.us/DocumentCenter/View/4568/Silverton-Survey-2016-Report_FINAL?bidId=

Marion County. (1996, November). *Measures by District*. Election Results for Measure 24-82: Silver Falls Parks and Recreation District Formation w/ Tax Base of \$318,500 available at https://www.co.marion.or.us/CO/elections/Results/Pages/11-5-1996_Main_Page.aspx.

VII. PUBLIC OPINION SURVEY: STRATEGY, RESULTS, AND IMPLICATIONS

The PSU research team conducted two separate survey research tasks to support the Parks and Recreation District study. The first survey was a web-based questionnaire made available to residents of Silverton and within the greater Silverton area. The second survey was a series of semi-structured interviews with key stakeholders in organized sports in the area. These two research tasks are described in this section with summary findings from each.

A. *Web-Based Questionnaire*

Working with City staff, the PSU team crafted a 40-question survey to be distributed through customer emails provided by the City water and wastewater utility. A sharable link was also distributed via social media, newsletters, email distribution lists, and other informal networks. The survey responses were collected from May 1 to May 22, 2019. A total of 944 responses were collected in this period.

Survey questions included several general topic areas:

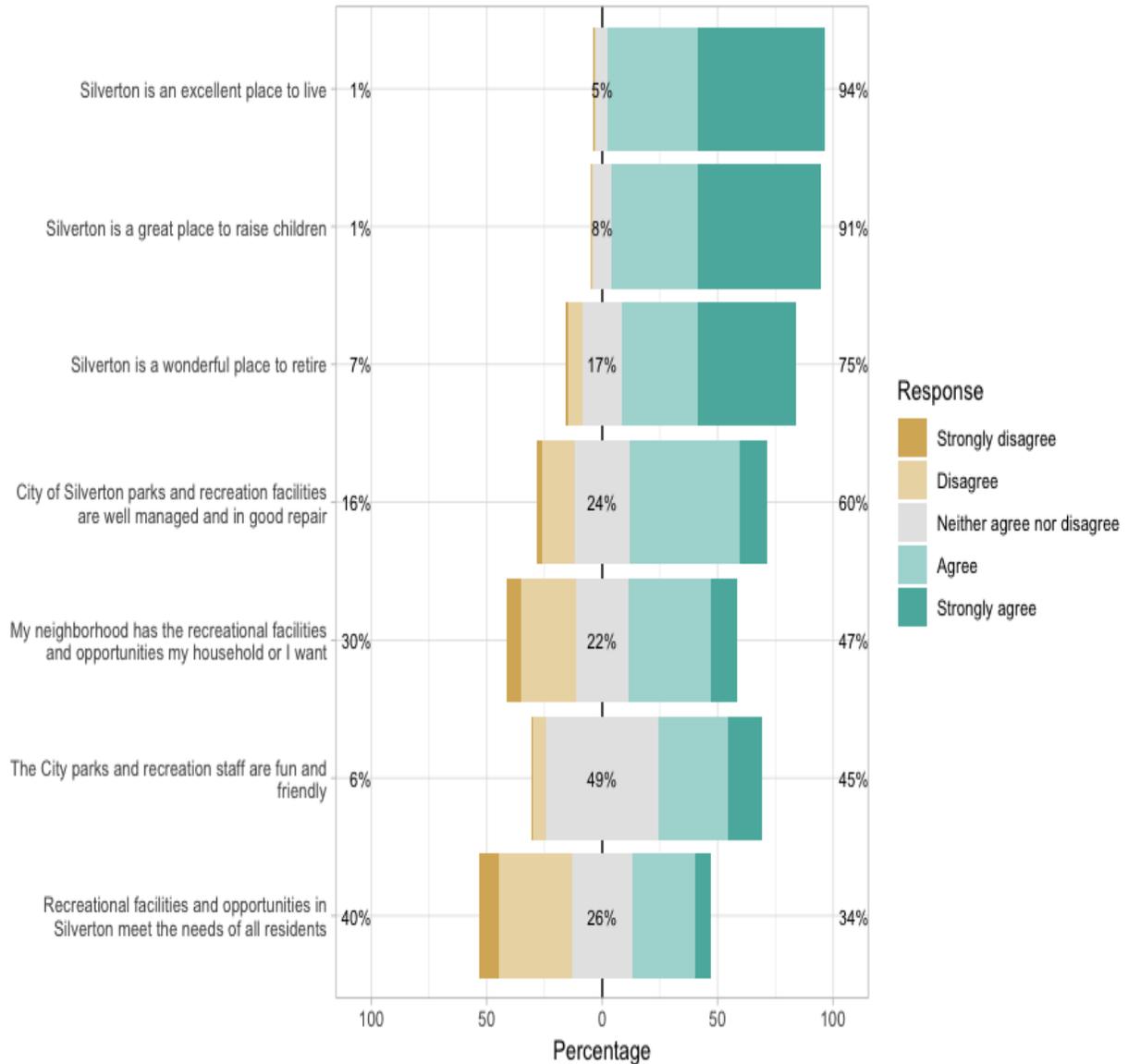
- Overall evaluation of Silverton as a place to live and recreate
- Assessment of ease or difficulty in accessing recreation opportunities
- Specific levels of participation in various recreational activities and how well these activities are currently served
- Interest or support for developing new facilities
- Participation levels in organized sports
- Support or opposition to the creation of a new special district
- Willingness to pay for new taxes to support a new special district

Additionally, demographic data were collecting including a location of residence, and if applicable, business.

B. *Summary of Findings*

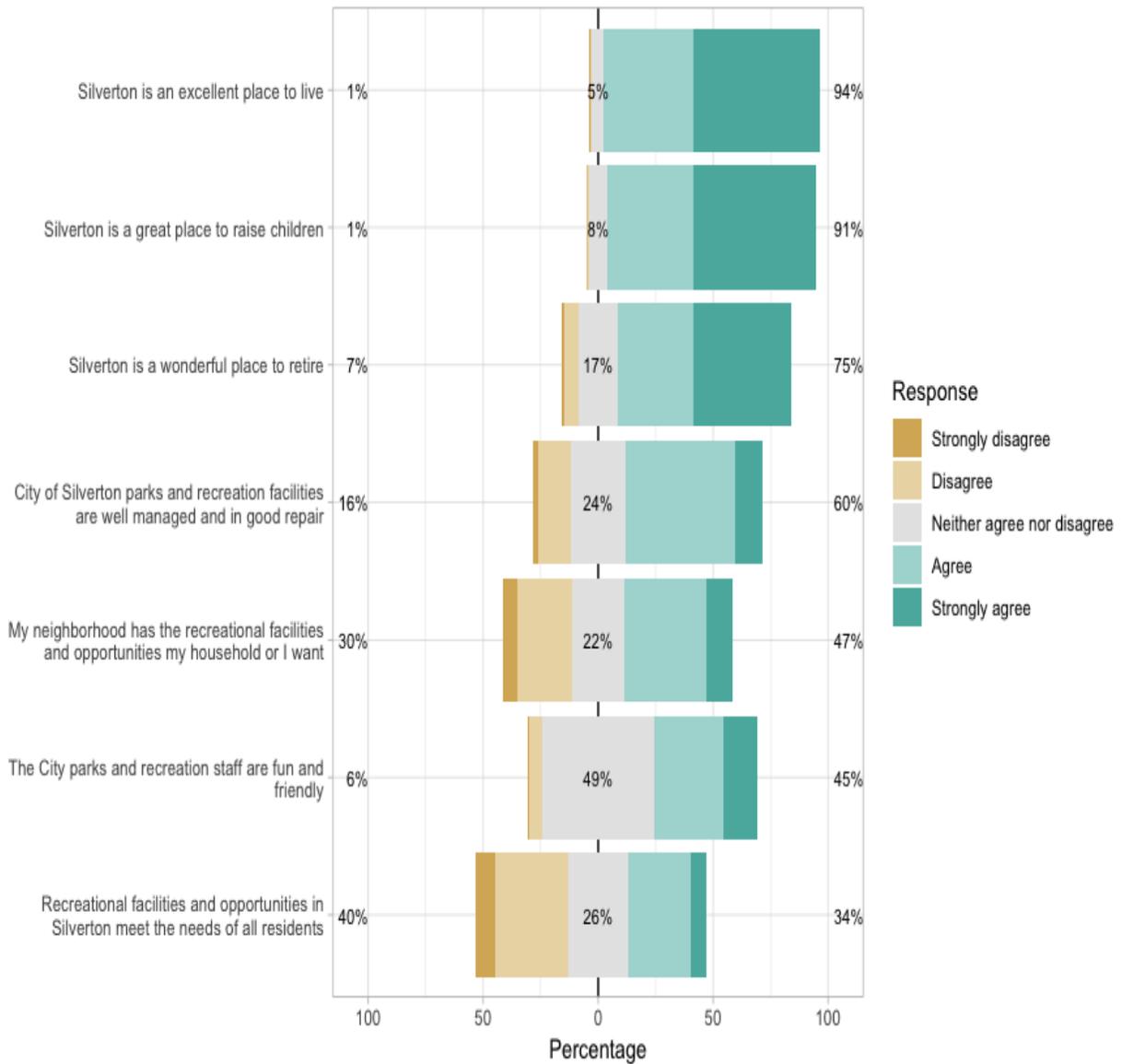
Respondents overall gave the City high marks as a place to live, raise children, and retire. When asked about recreational opportunities in general, respondents still rated the City well, but at the neighborhood level, concerns were raised. As shown in

Figure 1: Overall Assessment of Silverton and Recreation Opportunities



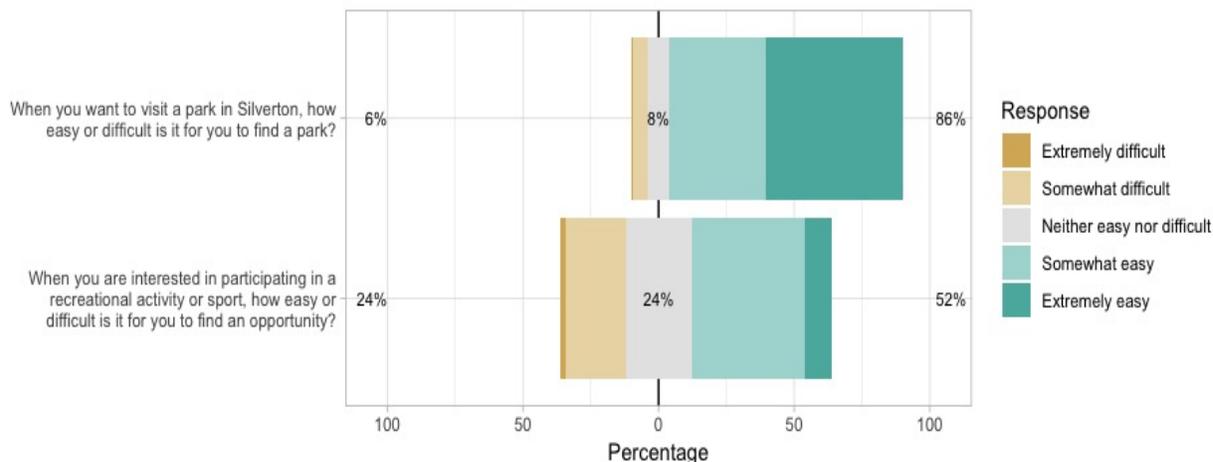
, 30% of respondents disagreed that their neighborhood has the recreation facilities they want. More striking, when asked to consider all residents in the City, only 34% responded that the facilities and opportunities in Silverton meet the needs of all residents, while 40% disagreed, and the final 26% neither agreed nor disagreed. These results suggest that while the City is assessed well overall, there are concerns about neighborhood access as well as access to recreation overall.

Figure 1: Overall Assessment of Silverton and Recreation Opportunities



CPS also asked respondents about the ease of locating parks and organized recreational activities. Overwhelmingly, 86% of respondents noted finding a park was quite easy for them. However, when asked how easy it is to join in on an organized recreational activity or sport, those reporting it easy dropped to 52% with 24% noting it is difficult (see Figure 2). Here we see the first indications that access to organized sporting or recreational activities is a challenge for some.

Figure 2: Ease of Finding Facilities or Participating in Activities



We also asked residents to rank the City’s facilities to understand what is most valued. Residents were allowed to drag and drop 10 facilities from highest to lowest importance to their household. Coolidge-McClain, the Community Pool, the Marine Park and Reservoir and Town Square all rated in the top four. We also asked about support for the development of the Petit Natural Area, and 85% of respondents indicated support for this project.

We also asked about recreational activities and their frequency of engagement. We summed up the various frequencies and identified the top ten activities as shown in Table 2.

Table 2: Top Ten Recreational Activities

Park	Total Choices
General Recreation	777
Concerts/Organized Events	628
Picnicking – Family & Friends	561
Playground Visits	539
Biking	486
Swimming	480
Picnicking – Groups	452
Dog Walking/Park Visit	424
Bird and Wildlife Viewing	422
Fishing	384

When we asked a follow-up question about the activities that are most and least supported by current recreational facilities three activities emerged: biking, boating, and organized sports. These three activities are not seen as adequately served. 45% of respondents also noted that trails in the area are not or are only slightly serving the community well. These responses indicate areas for improvement in the region.

After asking about recreational activities and experiences, we posed two key questions for the purposes of a new parks and recreation special district. The first was a hypothetical vote on the creation of a new district. 47% indicated they would vote yes, with 15% indicating they would vote no. The remaining 39% were unsure or don't know. This unsure group needs to be better understood. In other research in the region, unsure or don't know respondents often become "no" votes without work to engage them. With this top-level set of responses, we next explored if location of residence or demographics influenced levels of support for the district. Support for the district is relatively stable across residents inside and outside the City of Silverton as shown in Table 3. However, opposition to the district is almost twice as high outside the City. We also mapped the location of supporters and opponents, and we did not identify a clear pattern spatially that would influence and decisions on how to craft district boundaries.

Table 3: Survey Results of New District Formation Question

Vote Choice	Silverton Residents	Residents Outside the City	Overall
Yes	48.4%	43%	46.5%
No	12.4%	22.5%	14.7%
Unsure/Don't Know	39.2%	34.4%	38.7%

We also examine the role of gender in support and opposition for the special district. We found that while support was again relatively stable between men and women, opposition was slightly higher for men and women were more unsure of the proposal (see Table 4).

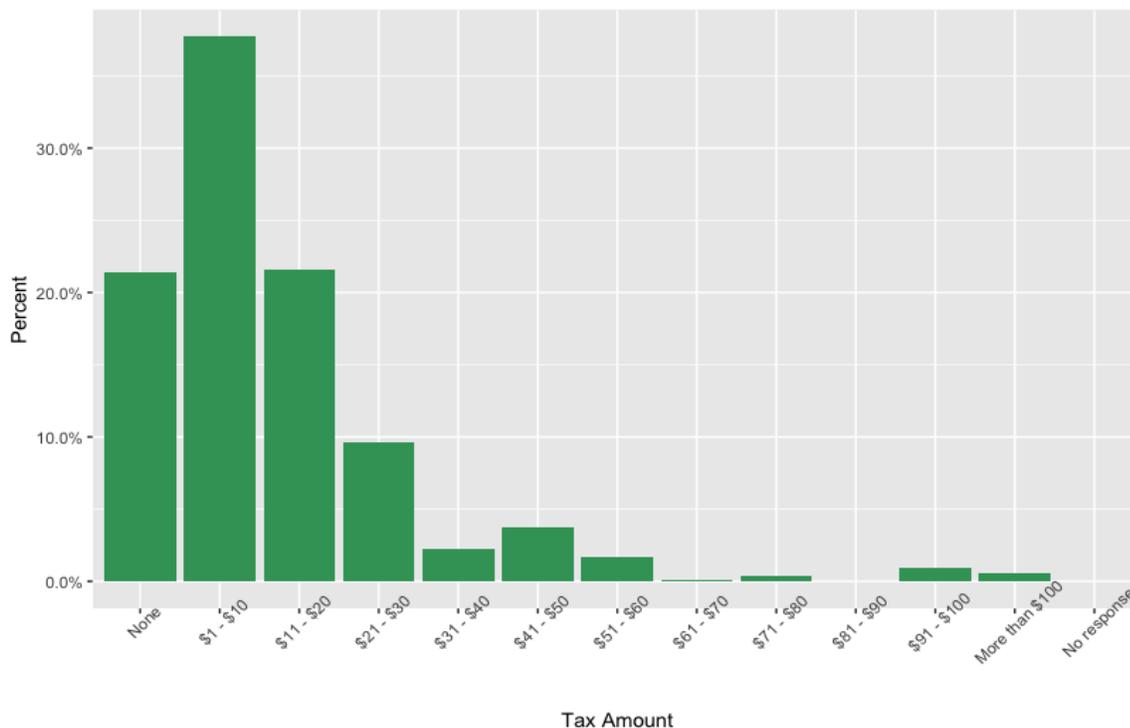
Table 4: Survey Results of New District Formation by Gender

Vote Choice	Male Respondents	Female Respondents	Overall
Yes	51.2%	47.7%	46.5%
No	17.7%	11.6%	14.7%
Unsure/Don't Know	31.2%	40.7%	38.7%

An important note here is that overall our sample was heavily skewed towards women. 66% of respondents were women. The City of Silverton is 54% women, indicating our sample is skewed towards this perspective and generalizing to the region is not easily done.

After asking about the formation of the district we then asked about what level of taxes respondents would be willing to pay. We posed this question as a monthly amount. Previous research indicates that questions about fees or taxes need to be made relatable to normal expenses (versus an annual property tax bill). Just over 20% of respondents were unwilling to pay any increase in taxes, but 80% indicated support. The \$1-10 range was most preferred with \$11-20 and \$21-30 being also supported at over 35%, 20%, and 9% respectively. Likely a popular level of support is located somewhere in this range as shown in Figure 3.

Figure 3: Level of Support by Taxation Amount (per month)

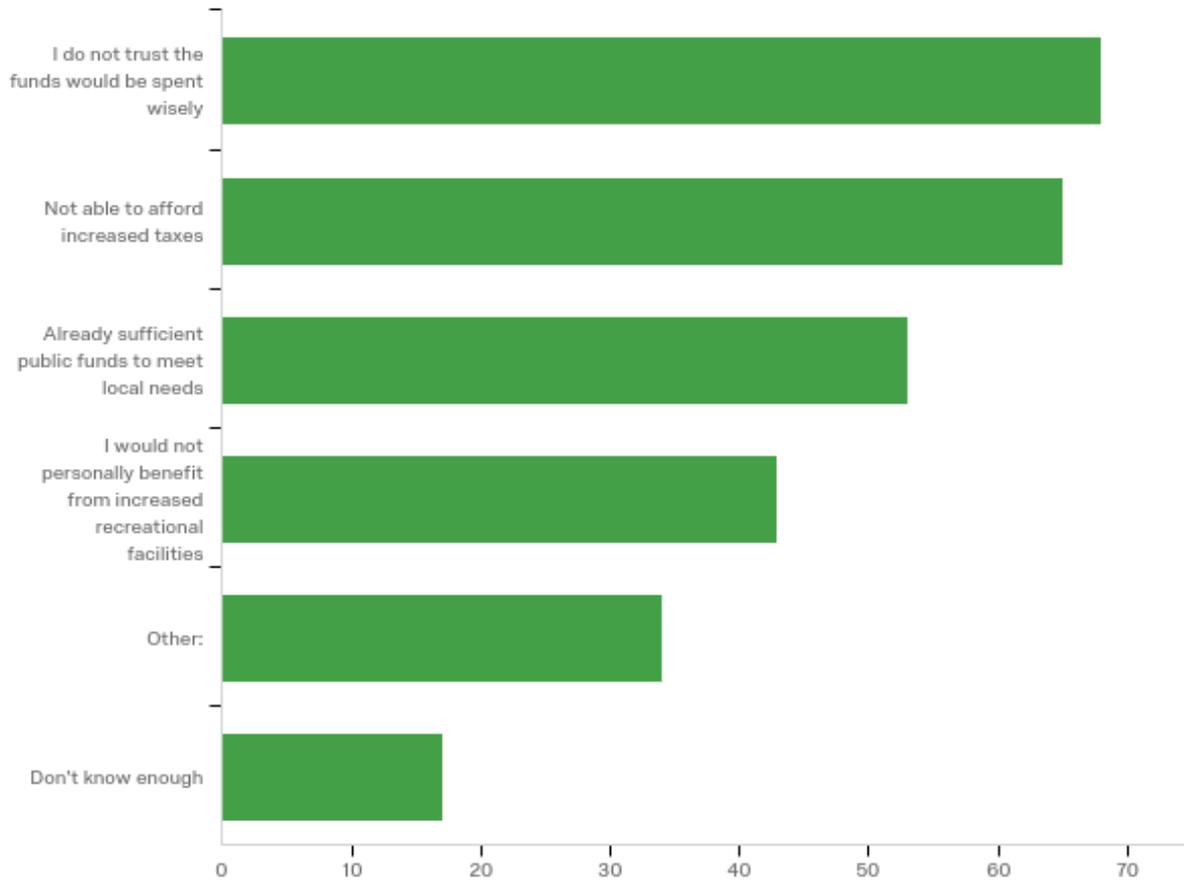


As a follow-up to the 20% that selected no increase in taxes, CPS asked respondents to indicate their reasoning. The top reason was a lack of trust that funds would be spent wisely. This was followed by concerns over the personal ability to pay the taxes and concerns that the revenues already existed for parks and recreation (see Figure 4). This suggests that any efforts to develop the district must work on accountability and trust to develop support for taxation from a new district.

Finally, we must note that this is a convenience sample. That means that participants were not randomly sampled, but rather self-selected to participate. This can skew results and means the findings here are not immediately generalizable to the region. Conclusions from this survey must be tested with stakeholders and others to assess their validity. As noted earlier, our sample skews towards women. We also have more younger respondents in the survey as compared to the age profile in Silverton. We also did not hear from many Hispanic respondents,

with our survey being only 3% Hispanic compared to Silverton’s 10% Hispanic population based on US Census data.

Figure 4: Reasons for Opposing New Taxes



C. Semi-Structured Stakeholder Interviews

In addition to the web-based questionnaire, we also conducted several interviews with key stakeholders identified by the City. These included local sports managers with organized teams and youth sports organizations. The interviews helped bring to light some of the logistical challenges of managing organized sports in the region. All athletic fields are owned and managed by the School District. Respondents shared general support for this arrangement, but noted challenges in consistency in booking some facilities, being secondary to school athletics, and concerns about growth. On growth, the main concern was the lack of interest in expanding fields or developing new ones. While some respondents were quick to name pieces of land or school properties that could be improved to support more sports, it was indicated that the School District was hesitant to expand its offerings.

Respondents also noted that the distribution of facilities and properties leads to inefficiencies. Teams must move around several spread-out facilities, which increases travel time.

Additionally, if field maintenance must occur, it often takes longer due to this spread-out nature of the current system. Many respondents shared that they used workaround solutions to maintain fields and wished that both the fields and maintenance could be more centralized.

Respondents were all supportive of each other and appreciative of the community teamwork to make athletics happen on limited resources. They indicated it would be helpful to share the need for more fields with the public and how much new facilities could open up recreational opportunities for both youth and adult leagues.

VIII. SCENARIOS DEVELOPED

Detailed scenarios provide a tool for the Parks and Recreation Task Force, the City, and the community to understand how the future could be different relative to the pool, parks, and athletic facilities. Scenarios paint a focused picture of how the City, a new special district, private contributors, parents, and citizen volunteers could come together to provide the facilities and programs that the communities desires. Scenarios also give a sense of the detail of a possible program or facility including the costs and the taxes necessary for a desired level of programs and facilities.

Scenarios are also effective in describing the laws and policy, facility condition realities, financial and tax revenue realities and other conditions that will limit and shape any future aquatics, parks and recreation services in the Silverton community. To assist the Task Force and the community understand the possibilities of new or different programs, the CPS team prepared an evolving set of scenarios, the most recent of which (Scenario A) is listed first as the most active option.

We note that any hypothetical governmental structures, district boundaries, and taxing mechanisms in the following scenarios are pre-decisional. These scenarios and analysis were developed to support the Task Force members in their deliberations, and to ensure that the community and the City have comprehensive, valid information on which to base policy, program and budgetary decisions.

As foundation for preparing the scenarios, the CPS team gathered information and concepts from several sources, which include: 1) the Parks and Recreation Task Force discussions; 2) the results of the parks and recreation citizen opinion survey; 3) Oregon law; 4) economics, governance, and government design theory; and 5) our professional experience. How we accessed and used each of these sources follows:

1. The CPS team was asked to facilitate three of the Parks and Recreation Task Force's meetings. As one member of the team facilitated the meeting or presented, other members of the team were carefully taking notes. From these observations and notes we identified ideas, concepts, visions, hopes, opinions, preferences and frustrations. While the facilitated sessions were important, we gained much insight from the open discussions that followed the facilitation. We reduced our sense and findings from the sessions into a set of Governance Principles.
2. The CPS team analyzed and interpreted the results of the Parks and Recreation citizen opinion survey. The team made special efforts to design the survey questions to gather basic information on citizen perceptions and frustrations with the current parks facilities and programming.

3. The CPS team returned to the Oregon statutes to determine potential options for governance designs. These options included opportunities, limitations, and prohibitions. For example, the statutes include five different designs for intergovernmental arrangements, most of which were discarded after Task Force discussions in early sessions.
4. We considered economic theory related to economies of scope and scales, and free-rider externality situations. We consulted Public Administration theory related to service design, service efficiencies, and public governance.
5. Finally, CPS team members drew on their professional experiences doing similar consulting work for local governments across Oregon.
6. The CPS team formulated early scenarios as tools to help structure Task Group discussions. The development of the scenarios was an evolving process, with later scenarios (e.g. 3.51 FTE and 5.0-6.1FTE) as the most reflective of Task Force thinking. These later scenarios reflected increasing accuracy related to pool capital obligations and levels of expenses.
7. The early scenarios were developed and presented to the Task Force by the CPS team, discussed, and some discarded. The 15-FTE and 6-FTE scenarios were presented at Task Group meetings, discussed, and discarded for the following reasons: (1) they were too large in organization size and politically infeasible; (2) they were too government-centric at the expense of citizen and business contributions; (3) they inappropriately focused on government staffing; (4) they had left out the contract provider for the pool; and (5) they placed priority on pool capital investment instead of athletic field development.

A. Principles and Strategies for Scenario Development

The CPS team recognized the following conditions and principles that guided our development of the alternative scenarios.

A.1 Findings from Facilitated Task Group Meetings

- Any proposal to the community for a new district must contain new park facility development for general recreation, outside of or in addition to new athletic field development and pool capital investments.
- At the April 16, 2019 meeting, the Task Force identified that a new district would be the only way to address the identified issues with parks and recreation in the area. “Status Quo,” continued City management with additional funds, and intergovernmental solutions under ORS 190 were dismissed because they did not address the issue of equity between users and free-ridership. There was also concern that other cities would not participate in a multi-jurisdictional IGA solution. Two options were presented for a

parks and recreation special district, one that provided “recreation only” and one that was a “full service” district.

- At the May 29, 2019, CPS presented four parks and recreation district alternatives. At the time of the meeting, the Task Force felt that a recreation-only scenario with 3 FTE and no changes to the pool funding and programming was not sufficient; and a full-service district staffed with 15 FTE was far too large. CPS presented a model for a special district government (ORS 198), with 15 FTEs, which would provide comprehensive services including pool ownership and athletic field development and O&M. The Task Force rejected this approach because it was too large and centered on government staffing and provision. Smaller, less government-centered models were prescribed for future development.
- In its 15 FTE model, CPS used in-house staffing for pool programming, operations, and maintenance. The Task Force requested scenarios using contracted services rather than in-house staffing.
- While some on the Task Force recognized the need for new athletic field capacity, developing such facilities and capacity may need to be handled sequentially following other investments. Limited investments in athletic field capacity may be possible in the short-term.
- The Task Force strongly prefers to retire the Pool Local Option Levy of \$0.3313/\$1,000, and to transfer the pool local option levy into a more permanent and financially sustainable special district property tax permanent rate.
- The Task Force would like to limit the size of a possible special district property tax levy to \$0.85/\$1,000.
- Develop some understanding of the impact of property tax compression on all jurisdictions under the Measure 5/50 aggregate general government tax rate of just under \$10.00/\$1,000.
- Add creative use of non-governmental organizations, in-kind donations, volunteer labor, and private-to-public land swaps, which could all leverage limited governmental resources.

A.2 Governance Principles and Assumptions to Guide Scenario Development

- The CPS team recognized the Task Force’s concern with voter acceptance. Any special district scenario would involve voters residing both inside and outside of the City boundary. The Parks and Recreation Survey specifically included questions to recognize concerns and opinions from both groups.

- CPS recommends some form of a special district governance structure. This is the most appropriate form to address equity, the free-rider issue of external users, and the burden the School District carries for athletic field usage, and field coordination and scheduling.
- A special district represents a community and service area of both rural and urban residents. Governance decisions by the district will reflect the desires and needs of the broader community, which may be different than the City's needs and expectations.
- A new special district could take the form of an independent special district authorized under ORS Chapter 198. Once established by the voters, the special district would be a permanent government with a lifespan of potentially multiple decades.
- The CPS team extensively used several rural area aquatics, and parks and recreation districts as peer examples. Peer districts provided examples of program combinations, staffing levels and wage rates, budget levels and allocations, citizens and governance, revenue types and levels, and facility replacement debt. The North Wasco Parks and Recreations District, the North County Parks and Recreation District, the Sisters Recreation District, the Lebanon Aquatic District, and the Greater St. Helens Aquatic District provided effective peer examples (Appendices E, F, and G). Though vastly larger, the Tualatin Hills Parks and Recreation District provided clear examples of a parks district imposing and using systems development charge revenues.
- Though it would likely closely coordinate with, and sign intergovernmental agreements with the City and School District, a special district is an independent agent and not part of any existing local government. The special district would have its own board of directors, which would hire its chief executive. The City and the School District would need to coordinate and negotiate with the new special district on policy issues, program design and delivery, and contracts and payments.
- A new special district would pay annual access fees to the City for parks usage and to the Silver Falls School District for field usage. This follows the City's current payments to the School District for the same access.
- A special district would have its own property tax permanent rate, could float local option and capital bond levies, and would make independent decisions on use of its revenues. The special district would hold responsibility and legal liability for facility safety and program performance.

A.3 Pool-Related Principles and Assumptions

- The City currently owns the pool facility and is authorized under the pool operations local option levy to collect property taxes for the pool facility operations, maintenance,

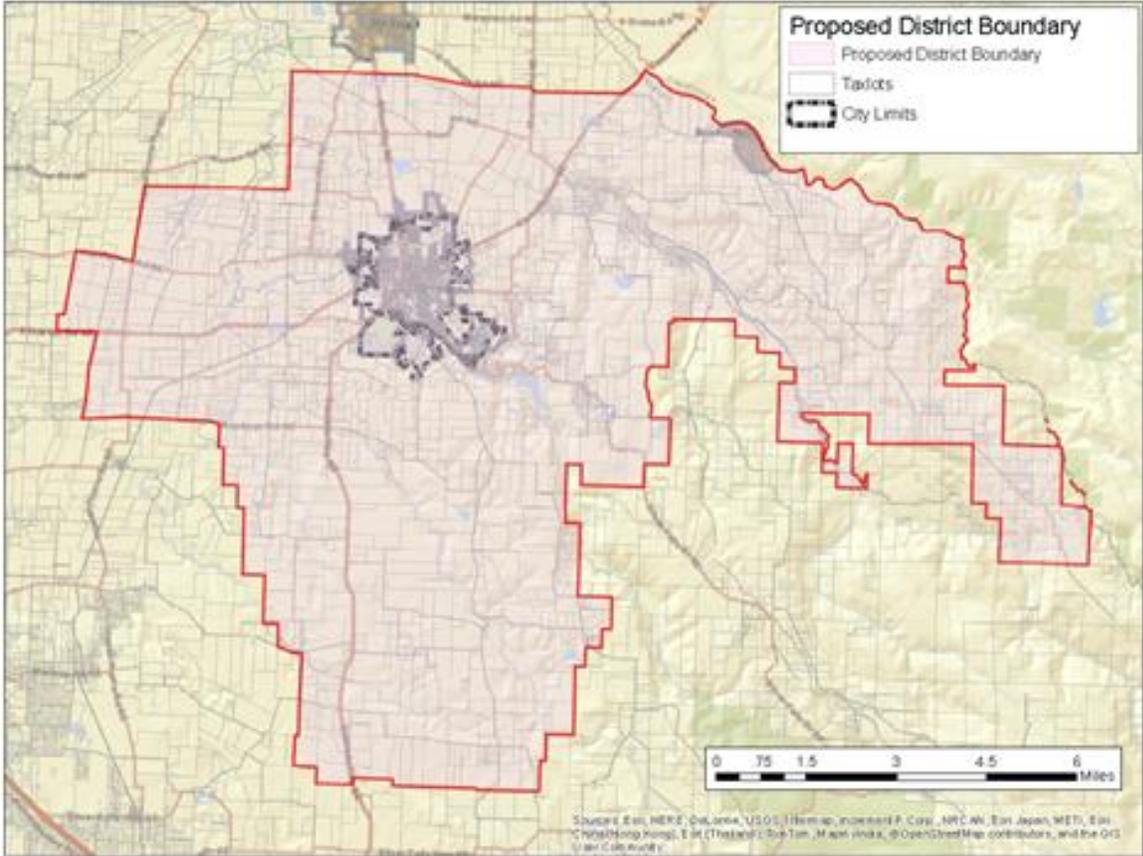
programming, and replacement. Property taxing authority and tax capacity follows from ownership of the pool facility.

- The current local option levy must be renewed by the voters every five years, which is politically challenging. Under Oregon law, the local option levy is the first category for reduction under Measure 5/50 property tax compression if real market property values fall drastically.
- Over the current and next two fiscal years, the City expects to make a series of capital replacement and reconstruction investments in the pool facility and adjacent grounds. This expected spending includes up to \$69,000 in FY 2018-19; \$268,000 in FY 2019-20; and \$609,000 in FY 2020-21. Once these investments are made and work completed, the pool facility should be in a sustainable condition for future extended use.
- Should a new special district receive taxing authority and authorization to provide aquatics services, the City and special district would need to contract for a valuation assessment of the pool facility and grounds. Based on the valuation, the City and special district would negotiate an agreement for pool transfer and reimbursement.
- The City or special district that owns the aquatic facility can contract for services from nonprofit, for-profit, or government providers for replacement and construction, operations and maintenance, and programming. This appears to be an effective use of public sector contracting in order to obtain high-levels of service reliability and service surge capacity.
- The City is unclear about the total cost of contracting for pool programming and operations services. Based on City documents, the CPS team assumed that the current contractor collects all user fees and program revenues generated by pool operations, and receives \$50,000 in annual contract payments from the City. In addition, the City can direct the School District to pay to the YMCA any funds due to the City for use of the pool. A new special district may wish to revisit this payment scheme.

A.4 Assumptions Concerning a Hypothetical Special District Service Area and Boundaries

Discussion at the first Task Force listening session on April 16, 2019 provided the CPS team with guidance on how to develop a district boundary for a hypothetical parks and recreation service district. The Silver Falls School District boundary was considered, but rejected as too expansive. The Silverton Fire District boundary was then considered but again deemed too large by the Task Force members. Based on suggested adjustments to the fire district boundaries, the CPS team proposed the district boundaries in Figure 5. This hypothetical service district boundary served as the base for a service area, governance and user community, and a revenue generation tax area. The boundary of a hypothetical special district is still under discussion by the Task Force as of delivery of this report.

Figure 5: Hypothetical Special District Boundary Service Area



The defined hypothetical district would also service as the taxing area the district. Based on the 2018 Assessment, the district would contain taxable property values as shown in Table 5:

Table 5: Taxable Property Values

Assessment	Value
Total Measure 50 Assessed Value	\$1,326,737,970
Less Urban Renewal Excess Value	\$44,186,219
Total Available Assessed Value	\$1,282,552,751

These property-assessed values generate the following revenue levels over a range of tax rates as shown in Table 6.

Table 6: Tax Rate and Revenues Generated

Tax Rate	Levy/ Revenue Generated
\$0.85/ \$1,000	\$1,057,464
\$0.90/ \$1,000	\$1,154,287
\$0.75/ \$1,000	\$961,914
\$0.72/ \$1,000	\$923,437

The CPS team used these assessed values, levy rates and estimates of generated revenue to build the 3.51-FTE, 5-6-FTE, 4-FTE and older 15-FTE alternative scenarios.

A.5 Financial Analysis Assumptions and Principles:

- For the 6-Year Budget forecast, the inflation interest rate for general costs was assumed at 2.0%, and 3.0% for personnel related costs. Health insurance was assumed at 5.9%.
- The now dated PERS actuarial report of Dec. 31, 2017 listed an inflation rate of 2.5% (Larrabee & Preppernau, 2017, 97). However, the Bureau of Labor Statistics Urban consumer price index for the Pacific states is trending from 3.4% in January 2019 toward 5.3% in mid-2019 (BLS, 2019 July 6). This increase causes us to set the personnel services and general cost inflator to 3.0%. Health care cost trend rates were drawn from PERS actuarial report and reproduced below (Larrabee & Preppernau, 2017, 97).

B. Scenarios

Based on Task Force guidance, the above principles and assumptions, and financial data, the CPS team prepared a series of scenarios. The scenarios tracked evolving Task Force discussions, recommendations and preferences, and new and clarified information. Task Force meetings included July 8, June 10, May 29, and April 16. The most recent scenario (Scenario A) most closely matches Task Force thinking as of the July 8 meeting. We detail out five scenarios:

- Scenario A: Micro Aquatics and Recreation Micro District (3.51 FTEs)
- Scenario B: Aquatics and Recreation District (5.0-6.1 FTE)
- Scenario C: Parks and Recreation District (4.1 FTE)
- Scenario D: City Enhanced Pool Local Option Levy
- Scenario E: Aquatics, Parks, and Recreation District (15 FTE) (partially developed)

Scenario A: Micro Aquatics and Recreation District

Scenario A resulted from the July 8, 2019 Task Force meeting led by City Manager Christy Wurster. The CPS team provided a detailed write-up and Power Point slides to structure and

support the meeting. From the meeting discussions, the Task Force returned ten criteria for development of a scenario for a very small special district. The Task Force criteria included:

1. Staffing reduced to 3 FTE and limited to around \$300,000 annual employee costs.
2. Property tax permanent rate assumed maximum of \$0.85/\$1,000 assessed valuation.
3. Eliminate the existing City pool local option operating levy (5-year renewal required).
4. Continue contract with YMCA for pool operations. - \$50,000.
5. Contract with City for maintenance of pool – personnel costs only.
6. Remaining revenue utilized for development of a capital fund for property acquisition/development.
7. Priority would be field development/sports complex either through property lease, purchase, or donation.
8. Following sports complex development focus of capital program would be to accumulate funds for pool replacement.
9. Trails developed and maintained by District.
10. Independent nonprofit “friends” group established and maximized.

After discussions with City Manager Wurster on these criteria and other financial issues related to the pool, additional key strategic and operational principles emerged, which are described below.

Strategic Governance and Revenue

- Establish a 3-FTE special district under Oregon Revised Statutes (ORS) Chapter 198. Once established by the voters, the district would be a permanent governmental entity, independent of the City.
- In initial years, a 3-FTE micro-district would strategically serve as a governmental revenue generation and facility development mechanism. The district would serve an important role in community leadership and program coordination, in land acquisition and capital construction facilitation, and in community strategic planning on parks and recreation issues.
- The micro special district would represent a single community and service area of both rural and urban residents. This is the most appropriate form of governance to address the free-rider issue of external users, and the burden the Silver Falls School District carries for athletic field usage, and field coordination and scheduling.
- Utilize contracted services and volunteer contributions to the greatest degree possible. Contracted services include: pool operations, programming, pool water quality, and pool custodial and light maintenance. Volunteer services could include field and turf maintenance, custodial and light facilities maintenance, programming, and program delivery.

- Provide a governmental entity that can: (1) generate governmental revenues through a permanent property tax rate, (2) with voter approval, issue General Obligation bond debt with property tax revenues, (3) impose systems development charges (SDCs) on new capital value constructed within the district, and (4) with voter approval, impose a local option levy of property tax above the district permanent rate.
- Establish a property tax permanent rate of \$0.85/\$1,000.
- Retire the Pool Local Option Levy of \$0.3313/\$1,000. Provide revenue stability for pool operations, maintenance and replacement by assuming revenue generation in lieu of the City's pool local option levy, which requires renewal every five years. Provide a degree of protection from property tax compression by using a district permanent rate.
- Support the community and leverage community assets. Work with the community to establish an independent, nonprofit 501c(3) "Friends of the District" foundation to support and complement the district. Where resources allowed, the district would annually offer grants to the Foundation to provide a base of stable revenue.
- The "Friends of the District Foundation" would convene, coordinate, and organize all citizen and business volunteer support for parks, athletics, aquatics and general recreation programs. Citizen volunteers and parents would provide critical services under an organized framework, including field/ turf maintenance and facility custodial maintenance.

Pool-Related Principles and Assumptions

- Taxing authority is provided under state law to allow the special district to provide services. Ownership of a facility relates to a government's taxing authority. This scenario would transfer the assets of the pool facility from the City to the new special district.
- The special district would negotiate with the City on a valuation of the pool facility and the terms of transfer. The scenario budget model assumes a marker of \$1 million valuation. Financial terms were assumed to be generous: \$10,000 payments to the City in the first four years, and then payments over 26 years at 0.00% interest (\$32,000 / year).
- The City over the next two fiscal years is making capital investments in the pool facility. Once completed, there should be no scheduled capital investments for replacement or reconstruction. With any long-lived facility, there may be unforeseen equipment or facility failures, which will require emergency resources.
- In FY0, the new special district would establish a Capital Facilities Savings Fund to accumulate resources for a new field complex, trails and other general recreation

facilities, and the pool facility. After initial savings for the field complex, the district would begin saving for pool emergency replacements and future pool reconstruction.

- The special district would contract for water quality maintenance and custodial services. This could be with the City, or with a commercial pool service. The district would provide all chemicals and equipment.
- The special district would contract for aquatics programs and operational services. Using contracted services is especially valid because of the high reliability and surge requirements of water safety staffing. The district would not be organized to provide in-house staffing for the pool.
- The special district would want to negotiate a new contracting agreement for aquatics programs and operational services. The district would want to revisit the open-ended grant of user fee revenues to the contractor. The district, faced with demands for funds for other programs, facilities development and community grants, may wish to set a defined limit to user fee transfers to a contractor. The district may have a greater need for fee revenues than increasing pool programming.

Athletic Field Complex Development

- The new special district would work with the City and community leaders to identify suitable sites for an athletic field complex. The district would negotiate to purchase the site or receive it all or in part as a donation.
- The district should engage architectural and landscape professional services to ensure field drainage and effective facility design.
- The district would begin construction on the complex in the third year or later. This scenario assumes the fields and facilities costs in Table 7. These costs should be reviewed to determine the level of quality sufficient to meet community needs. If the Task Force envisions a field complex that would draw tournaments and events from across the state, a higher level of field quality would be needed. If the Task Force envisions a more basic level of neighborhood practice fields, then the cost estimates would be reduced. The proposed field costs were identified from industry literature.

Table 7: Field Cost Estimates

Baseball 60' Little League dedicated field with backstop and dugouts	\$	350,000
Softball 60' no grass infield/ outfield U10 small soccer shared	\$	250,000
Softball 60' no grass infield/ outfield U10 small soccer shared	\$	250,000
Field Soccer: full sized adult 360ft X 240 ft divides into 2 U11/12 youth fields	\$	259,200
Field Complex -- Bleachers Stands	\$	75,000
Field Complex -- Parking Lot	\$	100,000
Field Complex -- Restroom & Concession Stand w/ kitchen, janitorial closet	\$	400,000
Field Complex -- Equipment Shed/ Barn	\$	100,000
		\$1,784,200

Staffing

Staffing would be as shown in Table 8, totaling 3.51 FTE.

Table 8: Scenario A Staffing Proposal

Position	First Year (FY0) FTE	Fiscal Year 5 (FY5) FTE
Executive Dir/ Gen. Mgr.	1.0	1.0
Admin Asst./ Online Communications	0.51	0.51
Admin Services/ Business Mgr.	1.0	1.0
Program & Facilities Mgr.	1.0	1.0
Totals	3.51	3.51

The accompanying Silverton P&R Alternatives 3-56-4 FTEs 8-5-19 Excel workbook (Appendix I) provides position descriptions and duties for these positions.

Budget Summary

The accompanying Silverton P&R Alternatives 3-56-4 FTEs 8-5-19 workbook (Appendix I) provides a detailed line-item budget and capital investment analysis for FY0 through FY5 (six year budget). A budget summary by major revenue and expenditure categories is presented in Table 9. Property tax revenues are assumed at \$0.85/\$1,000 with a 3% delinquency. Program user fees and charges were assumed at 15% of tax revenues (\$206,500 annually), which is in line with peer districts. This rate assumption was held flat throughout the six-year forecast period.

Personnel services costs were held to \$294,257, which is beneath the \$300,000 threshold requested by the Task Force.

A six-year budget forecast by major expenditure category is shown in Table 9.

Table 9: Scenario A Six-Year Budget Forecast

	FY0	FY1	FY2	FY3	FY4	FY5
Total Revenues	\$1,245,586	\$1,280,464	\$1,312,218	\$1,344,924	\$1,378,611	\$1,413,309
Expenditures						
Personnel Services	\$284,271	\$294,257	\$304,628	\$315,402	\$326,595	\$338,226
Materials & Services	\$177,549	\$191,100	\$186,533	\$243,129	\$250,423	\$257,936
Materials & Services Pool	\$383,431	\$391,100	\$396,638	\$402,342	\$408,217	\$414,269
Interfund (Debt Payment)	\$10,000	\$10,000	\$159,629	\$159,629	\$181,629	\$181,629
Transfers Out Capital Savings	\$190,000	\$190,000	\$0	\$34,400	\$40,000	\$45,000
Capital Outlay	\$29,000	\$0	\$0	\$25,000	\$1,500	\$1,500
Community Grants	\$0	\$0	\$42,500	\$65,000	\$55,000	\$53,400
Contingency & Reserve	\$171,000	\$204,000	\$222,000	\$100,000	\$114,000	\$120,000
Total Expenditures	\$1,245,251	\$1,280,457	\$1,311,928	\$1,344,902	\$1,377,364	\$1,411,960
Net Balance	\$335	\$7	\$290	\$22	\$1,247	\$1,349

Financial Management Priorities

The new special district will require very careful management of revenues and finances during the startup period of FY0 to FY5 (first six years) (see Table 9 above). There will be an immediate requirement to operate and maintain the pool complex, but there will also be an immediate need to accumulate resources in a Capital Facilities Savings fund in order to reduce the principle on debt for an athletic field complex. Financial priorities for the new district might unfold as follows:

- FY0 hire district executive/ general manager and staff in permanent positions (3.51 FTE).
- In first two years, maximize transfers to Capital Facilities Savings fund in order to reduce principle on debt for an athletic field complex.
- In first two years, fill a collateral debt specific reserve fund, and general fund contingency and reserve.
- The scenario assumes a marker of \$130,000 for athletic field complex land purchase. The scenario assumes a \$1.502 million investment in the field complex for the above listed fields.
- Originate debt for athletic field complex in second year, and begin payment on the debt in third year. Budget analysis offers annual payment obligations for a 15-Year, 20-Year and 30-Year loan. The budget analysis uses the 15-Year payment amount in the budget schedule (\$149,629).
- Negotiate with the City on transfer of pool facility assets to the special district. District would request token payments of \$10,000 in the first four years, but then increase payments to \$32,000 annually for 30 years. As explained above, assumed marker valuation of the pool at \$1 million.

- Beginning in the third year, the district would begin making grants to the City, School District, the independent Friends of District foundation, and community partners. Third year grants would be small, increasing in the fourth and fifth year. The amount of the grants would reflect available resources and capital investment obligations.
- Throughout the six-year period, set the pool user fee rates and attempt to hold unchanged. Negotiation of pool services contractor may require adjustment in these fee rates.

Scenario B: Aquatics and Recreation District (5.0-6.1 FTE)

Scenario B responds to the Task Force discussions of the June 10th meeting, which stressed the need for a very small special district that actively worked with the community. The Task Force suggested a limit on a permanent tax rate of \$0.85/\$1,000 assessed value.

Strategic Purpose and Intent

- Establish a special district with City of Silverton consent and voter approval under ORS Chapter 198.
- Establish a special district that represents a single community of users, citizen owners, and taxpayers from outside and inside the City of Silverton. The larger district service area helps to resolve the user free-rider issue of out-of-district users.
- The City intends to fund and complete extensive replacement and reconstruction investments to the pool facility in the next two fiscal years (e.g. FY 2019-20 and FY 2020-21). Full completion of planned investments would ideally provide a new district with a facility that could sustain operations into future decades. However, should the City not be able to complete this investments before a transfer to a new special district, the district would have to assume any incomplete or un-started facility investments. Even with a facilities replacement program, the pool is an old facility, and the district would need to hold capital reserves to fund emergency equipment failures.
- This scenario places pool replacement and reconstruction at the highest priority of capital investments, ahead of athletic field facility development. The intention is to take care of existing assets before development of new ones.
- The scenario would establish a government district to generate sufficient revenue to support pool operations and maintenance, and for replacement and reconstruction. It would ensure uninterrupted pool operations and programming, and promptly address pool infrastructure needs.
- Provide a governmental entity that can: (1) generate governmental revenues through a permanent property tax rate, (2) with voter approval, issue General Obligation bond debt with property tax revenues, (3) impose systems development charges (SDCs) on new capital value constructed within the district, and (4) with voter approval, impose a local option levy of property tax above the district permanent rate.
- Provide revenue stability for pool operations, maintenance and replacement by assuming revenue generation in lieu of the City's pool local option levy, which requires renewal every five years. Provide a degree of protection from property tax compression by using a district permanent rate.

- Support the community and leverage community assets. Act as a community convener and coordination point. Work with the community to establish an independent nonprofit 501c(3) foundation to support the district in its mission.

Operational Features

- Initial zero fiscal year hires of 5.0 FTE for director/ general manager, administrative assistant/ online communications, administrative services/ business manager, program and facilities operational manager, and pool operator/ facilities maintenance.
- At fiscal year five, after initial start-up, add two new positions for a total of 6.1 FTE. Positions would be a part-time community resources manager (0.50FTE) and a seasonal ground/ turf maintenance technician (0.6 FTE). The latter would come on as the district acquired athletic fields.
- From the first year, the special district would provide coordination and support for field use scheduling with the School District, initially through the program and facilities manager position.
- The district leases specific parks and facilities from the City while the City retains ownership of existing parks and continues maintenance. The district would lease fields from the School District while the School District retains ownership of existing fields and continues maintenance.
- The district places first priority on capital investment for reconstruction of the pool facility. Based on taxing authority, the district negotiates with the City for purchase of the pool facility. The district buys the pool facility from City and is responsible for all replacement and reconstruction of pool facility. From the purchase date forward, the district would assume liability for the pool facility and its areas of performance.
- The district would use contracted services to provide aquatics programming, instructional, and operational services. The district would then hire a program and facilities manager, who would administer the contract to ensure performance for pool operations and programming and instruction. The district would provide custodial service to the aquatic facility and surrounding areas.
- The district would establish a pool fee schedule and impose user fees. The district or its contractor would then collect user fees.
- From available resources, the district would develop consistent, multi-year facilities development grants to City and School District. By fiscal year five, the community resources manager position takes on task of performing annual grant process and coordinating partner contracts and scheduling.

- The district builds contractual relationships with nonprofit and for-profit organizations to implement programming. The district would rely heavily on non-government partners and volunteer in-kind contributions.
- The district provides its own administrative functions: human resources, budget and finance, procurement, planning, executive functions, and a board of directors. The district purchases or leases vehicles and equipment to meet needs and leases office space for headquarters office. The district could contract for any administrative services, e.g. accounting and payroll.

Staffing

Staffing would be as shown in Table 10, totaling 5 to 6.1 FTE.

Table 10: Scenario B Staffing Proposal

Position	First Year (FY0) FTE	Fiscal Year 5 (FY5) FTE
Executive Dir/ Gen. Mgr.	1.0	1.0
Admin Asst./ Online Communications	1.0	1.0
Community Resources Mgr	0.0	0.50
Admin Services/ Business Mgr.	1.0	1.0
Program & Facilities Mgr.	1.0	1.0
Pool Operator/ Fac. Maintenance	1.0	1.0
Seasonal Grounds/ Turf Technician	0.0	0.61
Totals	5.0	6.1

The accompanying Silverton P&R Alternatives 3-56-4 FTEs 8-5-19.xlsx Excel workbook (Appendix I) provides position descriptions and duties for these positions.

Budget Summary

The accompanying Silverton P&R Alternatives 3-56-4 FTEs 8-5-19.xlsx Excel workbook (Appendix I) provides a detailed line-item budget and capital investment analysis for FY0 through FY5 (six year budget). A budget summary by major revenue and expenditure categories follows in Table 11. Property tax revenues are assumed at \$0.85/\$1,000 with a 3% delinquency. Program user fees and charges was assumed at 15% of tax revenues, which is in

line with peer district, but then rates were increased by 10% in FY1 and held at that increased level through FY5.

Starting in Year 1, the district assumes payment of a 30-year loan to cover \$1.6 million in pool capital replacement and reconstruction. This results in an annual debt charge of \$104,603 from year 1 onward.

Community grants are assumed to begin in FY2 after large initial payments are allocated to Contingency and Reserves, including a debt reserve to secure borrowed debt. Grants to the City and School District are assumed to rise in years 3 and 4. Once the special district moves to develop its own field complex, grants to the City and School District would taper down as resources are allocated to field complex debt.

Table 11: Scenario B Six-Year Budget Forecast

	FY0	FY1	FY2	FY3	FY4	FY5
Total Revenues	\$1,245,586	\$1,301,114	\$1,332,868	\$1,365,574	\$1,399,261	\$1,433,959
Expenditures						
Personnel Services	\$360,065	\$372,713	\$385,850	\$399,496	\$413,674	\$501,793
Materials & Services	\$189,216	\$182,800	\$188,284	\$193,933	\$199,750	\$205,743
Materials & Services Pool	\$412,843	\$421,100	\$433,733	\$446,745	\$460,147	\$473,952
Interfund	\$0	\$0	\$0	\$0	\$0	\$0
Transfers Out	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$99,000	\$114,603	\$114,603	\$114,603	\$114,603	\$114,603
Community Grants	\$0	\$0	\$55,000	\$119,000	\$113,000	\$68,000
Contingency & Reserve	\$183,958	\$210,000	\$155,000	\$92,000	\$98,000	\$70,000
Total Expenditures	\$1,245,081	\$1,301,216	\$1,332,469	\$1,365,776	\$1,399,174	\$1,434,090
Net Balance	\$504	(\$102)	\$398	(\$202)	\$87	(\$132)

Scenario C: Parks and Recreation District (4.1 FTE)

Scenario C also responds to the Task Force discussions of the June 10th meeting, which stressed the need for a very small special district that actively worked with the community. Based on a single-year startup budget analysis, this scenario uses a property tax permanent rate of \$0.72/\$1,000 assessed value.

Strategic Purposes and Intent

- Establish a special district with City of Silverton consent and voter approval under ORS Chapter 198.
- Establish a special district that represents a single community of users, citizen owners, and taxpayers from outside and inside the City. The larger district service area helps to resolve the free-rider issue of out-of-district users.

- Establish a government special district as a financing entity to generate sufficient revenue to support land acquisition and construction of an athletic fields complex. Once constructed, the district would provide the facilities maintenance and professional field maintenance services of mowing, fertilizing, aerating, and irrigation.
- Provide a governmental entity that can: (1) generate governmental revenues through a permanent property tax rate, (2) with voter approval, issue General Obligation bond debt with property tax revenues, (3) impose systems development charges (SDCs) on new capital value constructed within the district, and (4) with voter approval, impose a local option levy of property tax above the district permanent rate.
- The District would have no involvement with the pool. The City would retain taxing authority and ownership of the pool facility. The City would follow current arrangements for operations, maintenance, replacement, and financing for the pool. This implies that the City would ask to renew the current local option levy or a similar instrument.
- Support the community and leverage community assets. Act as a community convener and coordination point.
- Work with the community to establish an independent nonprofit 501c(3) allied foundation to support the special district in its mission. The district would work with the allied foundation to raise funds, conduct planning, and support development of an athletic field complex. (See Parks for Public Places, 2008 in reference list at bottom of chapter; and Waterfront Community Park Association, Hood River, OR at www.hoodriverwaterfront.org/contact.html).
- Where tax revenues and other financial obligations allow, provide grants to the City and the School District to support development of existing properties for general recreation and athletic field development.

Operational Features

- Initial fiscal year 1, the district hires 4.1 FTE for: a director/ general manager, an administrative assistant/ online communications (0.51 FTE), an administrative services/ business manager, a program and facilities operational manager, and a seasonal grounds/ turf maintenance technician (0.60). The grounds/ turf technician would be hired as the district's fields became operational.
- From the first year, the district would provide coordination and support for field use scheduling with the School District.
- In the initial years, the district would lease specific parks and facilities from the City while the City retains ownership of existing parks and continues maintenance. The

district would lease fields from School District while the School District retains ownership of existing parks and continues maintenance. The district would re-evaluate the use of partner fields and facilities as a new athletic complex came online.

- As explained above, the special district would not be involved with the swimming pool or an aquatic program.
- From available resources, the district would develop consistent, multi-year facilities development grants to the City and School District.
- The district would build contractual relationships with nonprofit and for-profit organizations to implement recreation programs. The district relies heavily on non-government partners and volunteer in-kind contributions.
- The district provides its own administrative functions: human resources, budget and finance, procurement, planning, executive functions, and a board of directors. The district purchases or leases vehicles and equipment to meet needs and leases office space for headquarters office. The district could contract for any administrative services, e.g. accounting and payroll.

Staffing

Staffing for Scenario C would total to 4.1 FTEs, which is detailed in Table 12. Position descriptions and duties are detailed in the accompanying Silverton P&R Alternatives 3-56-4 FTEs 8-15-19.xlsx Excel workbook under the 4.0FTE worksheet tabs (Appendix I).

Table 12: Scenario C Staffing Proposal

Position	First Year (FY0) FTE
Executive Dir/ Gen. Mgr.	1.0
Admin Asst./ Online Communications	0.51
Admin Services/ Business Mgr.	1.0
Program & Facilities Mgr.	1.0
Seasonal Maintenance/ Turf Technician	0.60
Totals	4.1

Field Complex Capital Costs

CPS consulted a series of industry publications and peer districts to obtain the cost of sport field construction and maintenance (see Table 13). Facilities costs for the bleachers, parking lot and equipment shed, and restrooms are placeholder amounts, which require additional research (see Cal North, 2019; Ultimate Baseball, 2019; SportsTurf Managers Association, 2018).

Table 13: Scenario C Field Cost Estimates

Capital Investment/ Facility	FY 2019-20	FY 2020-21
Athletic Facility Land/ Site about 6.5 acres @ \$20,000 per acre	\$ 130,000	
Baseball 60' Little League dedicated field with backstop and dugouts		\$ 350,000
Softball 60' no grass infield/ outfield U10 small soccer shared		\$ 250,000
Softball 60' no grass infield/ outfield U10 small soccer shared		\$ 250,000
Field Soccer: full sized adult 360ft X 240 ft divides into 2 U11/12 youth fields		\$ 259,200
Field Complex -- Bleachers Stands		\$ 75,000
Field Complex -- Parking Lot		\$ 100,000
Field Complex -- Restroom & Concession Stand w/ kitchen, janitorial closet,		\$ 200,000
Field Complex -- Equipment Shed/ Barn		\$ 100,000
Total Expense	\$ 130,000	\$ 1,584,200

Budget Summary

The accompanying Silverton P&R Alternatives 3-56-4 FTEs 8-5-19.xlsx Excel workbook (Appendix I) provides a detailed line-item budget and capital investment analysis for a single-year FY1. The analysis was not taken further because of project time constraints and recognition that later scenarios would be given preference by the Task Force. A budget summary by major revenue and expenditure categories is set forth in Table 14. Property tax revenues are assumed at \$0.72/\$1,000 with a 3% delinquency. Program user fees and charges was assumed at 5% of tax revenues.

Starting in FY1, the budget assumes payment of a 20-year loan to cover \$1.68 million land and field facility capital expense. This results in an annual debt charge of \$135,059 from FY1 onward. The budget includes a marker value of \$130,000 for land purchase. The estimated costs of field and facility construction reflect industry literature and online available facility plans.

Community grants are assumed to begin in FY1 after large initial payments are allocated to Contingency and Reserves, including a debt reserve to secure borrowed debt. However, community grants could be delayed several years until the revenues, contingency account, and reserves were stabilized. Once the special district begins to develop its own field complex, grants to the City and School District for field access would be re-evaluated to ensure funding for debt payments.

Table 14: Scenario C FY1 Budget

	FY1
Total Revenues	\$957,771
Expenditures	
Personnel Services	\$ 326,090
Materials & Services	\$240,700
Interfund (Annual Debt Service)	\$135,059
Transfers Out	\$0
Capital Outlay	\$13,575
Community Grants	\$65,000
Contingency & Reserve	\$177,000
Total Expenditures	\$957,424
Net Balance	\$347

Scenario D: City Enhanced Pool Local Option Levy

Should the City, community, and advocates choose not to move forward on special district formation, CPS offers the following City-centric recommendations.

- The City should organize community support to establish an independent, allied “Friends of City Parks” 501c(3) nonprofit parks foundation. The City could provide directed financial support to the Foundation through grants. The foundation could play a strong role in fundraising, organizing volunteers and the community, developing a community strategic vision, designing capital projects, outreach and marketing, recreation program development and delivery, and providing remedial maintenance (See, Parks for Public Spaces, 2008).
- At the end of the current pool local option levy, ask the voters for an increased levy of \$0.68/\$1,000 (current local option levy 0.3313+ 0.35) for continued operations and maintenance, and for explicitly defined purposes of pool replacement and reconstruction.

Scenario E: Aquatics, Parks, and Recreation District (15 FTE)

Scenario E is the 15 FTE special district model the CPS team presented to the Task Force on June 10th. The staffing for this model was limited to governmental employees. The model was deemed too large and costly to gain public support, basically transferred the local option levy to the district, did not use contract providers for pool operations and programming, and was very government-centric in its service delivery. Based on discussion at the Task Force meeting, the model was not developed further. We mention it here because the staffing and budget analysis remain in the accompanying Silverton P&R Alternatives 3-56-4 FTEs 8-5-19.xlsx Excel workbook (Appendix I) as a reference and template for future work.

C. Early Creative Scenario Models

To help kick-start scenario development at the April 16th Task Force meeting, the CPS team presented a variety of creative options for addressing the City's and community's parks and recreation needs. These ideas were based on a combination of the intergovernmental district forms authorized under Oregon law (ORS 190.010) and examples from peer districts in Oregon. These creative options included:

- Current City Ownership Plus Recreation Programming—Small step from current, City would add about \$130,000 in recreation programming.
- City Plus Recreation Programming with an Intergovernmental Agreement (e.g. purchase recreation programming from City of Salem or other parks and recreation district).
- Joint Government Entity with other nearby city or county governments under ORS 190.010. (Could be used to develop trails). Example: Cities of Fairview and Wood Village—East County Recreation Fund.
- Independent Special Services District for Recreation Services Only under ORS 198 and 266; Sisters Parks & Recreation
- Independent Service District for Facilities and Recreation Programming under ORS 198 and 266.

D. Funding Program and Opportunities for Parks and Outdoor Recreation

As a reference to support the Task Force and City, we include a set of funding sources for parks, trails and outdoor recreation facilities. The Statewide Comprehensive Outdoor Recreation Plan (SCORP, 2017) identifies the following existing programs for potential parks and recreation funding:

The Recreational Trail Program (RTP) is a Federal-aid assistance program providing funds to States to develop and maintain recreational trails and trail-related facilities for both non-motorized and motorized recreational trail uses, including water trails. Grant funds can be used for new trail construction; heavy trail restoration; trailhead facilities; purchase of tools to construct and/or renovate trails; land acquisition for trail purposes; and safety and educational programs.

The Local Government Grant Program (LGGP) is an Oregon State Lottery funded program administered by the Oregon Parks and Recreation Department. The program provides grant assistance for outdoor park and recreation areas and facilities, acquisition of property for park purposes, trails, bicycle recreation opportunities, and non-motorized water-based recreation.

The Land and Water Conservation Fund (LWCF) Program is a National Park Service funded program administered by the Oregon Parks and Recreation Department. The program provides grant assistance for acquiring land for parks and recreation purposes; building or redeveloping recreation and park facilities; providing riding and hiking trails, enhancing recreation access; and conserving open space, forests, estuaries, wildlife; and natural resource areas through recreation projects.

Connect Oregon is a lottery-backed bond grant competition administered by the Oregon Department of Transportation to invest in transportation infrastructure. This program includes funds for projects outside the road right of way that expand and improve commuter routes (including bicycle trails, footpaths and multiuse trails). No funding is available for this program in the 2017-2019 biennium. If/ when funding is available competitive grant rounds may occur in the 2019-2021 or 2021-2023 biennia.

Travel Oregon Competitive Grants Program makes grant awards for projects that provide for the improvement or expansion of the tourism economy in Oregon. Projects are intended to increase the likelihood of visitation from 50 miles outside the local area. Travel Oregon's Competitive Small Grants program opens annually.

The Statewide Transportation Improvement Program (STIP) is the Oregon Department of Transportation's capital improvement program for state and federally-funded projects. Local agencies will be eligible applicants for portions of the \$6 million dollars set aside for off-system trails.

E. References for this Section

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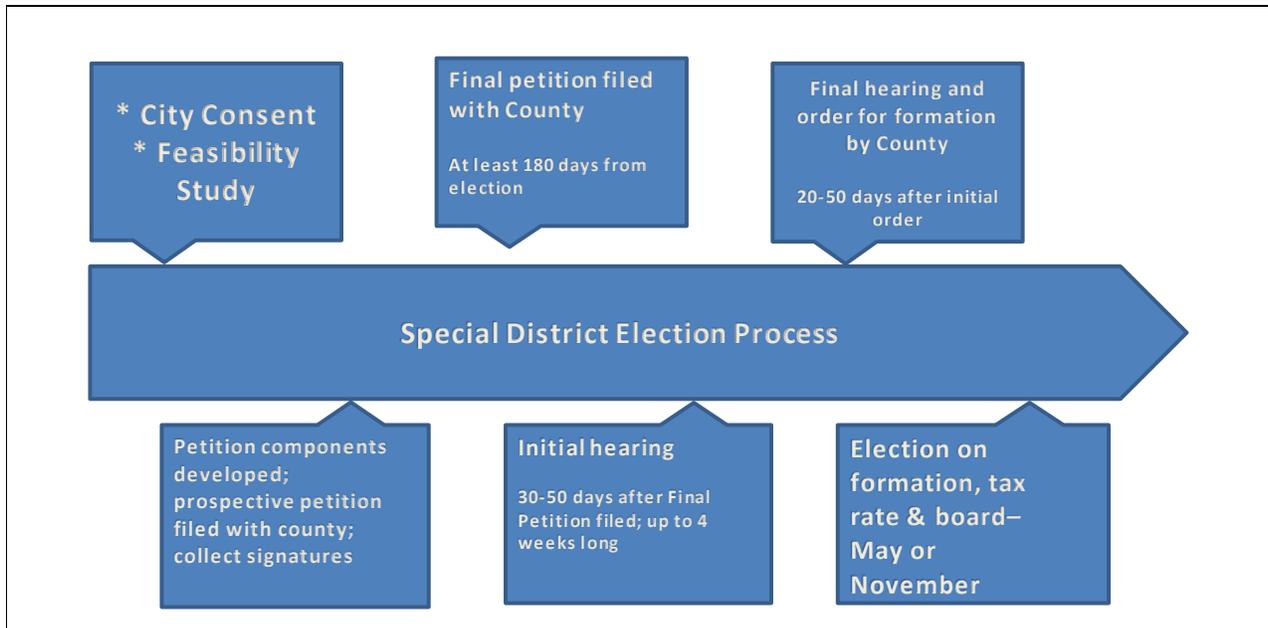
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IX. SPECIAL DISTRICT FORMATION PROCEDURES

Formation of an independent aquatics, parks and recreation special district requires the formation of a citizen advocacy group and close adherence to an extended, formal legal process. We include a detailed summary of the procedures in Appendix B. Figure 6 displays the main steps and deadlines of the formation procedures.

Figure 6: District Formation Process



Formation of a Parks and Recreation District is governed by ORS Chapters 198 and 266. Consent of the City in the form of a Council resolution agreeing to formation of a special district marks the first step in the special district process. The City must be on the public record that it agrees to transferring delivery of the specified services and revenue collection authority to the proposed district. Supporting the Council decision is a feasibility study that a special district could fully and with financial stability deliver the specified services. This report and the financial forecast/ budget work products from this contract provide much of the necessary component of the feasibility study. The feasibility statement must include: (1) A description of the services and functions to be performed or provided by the proposed district; (2) An analysis of the relationships between those services and functions and other existing or needed government services; and (3) A proposed first year line item operating budget and a projected third year line item operating budget for the new district that demonstrate its economic feasibility.

Once these items are complete, a petition is then filed in the principal county of the district (Marion County). CPS recommends a citizen group formulate the petition because of the potential for conflict if the City were to lead the effort. The petition must include, among other things, the permanent tax rate proposed, the proposed jurisdictional boundary, and the

requisite number of signatures. A prospective petition with this information is filed with the county clerk prior to gathering signatures for the final petition.

Assuming a permanent tax rate will be proposed, the final petition must be filed at least 180 days before a May or November election to be voted on. Thirty to fifty days after the petition is filed, a hearing will be held that may not last longer than 4 weeks. If the county approves the district, an order is filed and a final hearing is scheduled for between 20 and 50 days after the order. A final order is entered after this final hearing. Presuming that a permanent rate will be proposed, the question of the rate and the district formation will go to the ballot as a single question. The district board members would also be elected during that election.

This process must be finalized by March 31st in order to collect taxes for the following year. The Special Districts Association of Oregon (SDAO) estimates that new district formation may take between 12 and 24 months to complete. Once formed, the district will have access to bonding authority, ordinance authority, and be able to collect taxes.

X. RECOMMENDATIONS

After reviewing sources, facilitating discussions with the City Task Force, and conducting financial and legal analysis, CPS has formulated the following recommendations for the City and the community.

We note that any hypothetical governmental structures, district boundaries, and taxing mechanisms in the following scenarios are pre-decisional. These scenarios and analyses were developed to support the Task Force members in their deliberations, and to ensure that the community and the City have comprehensive, valid information on which to base policy, program, and budgetary decisions.

A. *Special District Formation and Finances*

- Based on the School District burden of field scheduling and heavy field usage, and concerns of out-of-City users, we recommend that the community move forward with efforts to establish an independent aquatics and recreation special district, with a service area covering the City and surrounding unincorporated area. An independent special district authorized by the voters under ORS 198 (special districts generally) and 266 (parks and recreation districts) is the most appropriate form.
- Determine a hypothetical special district boundary roughly based on the Silverton Fire District service area. The special district service area reflects the full community of users inside and outside the City boundaries. The district boundary and service area is an active issue under discussion by the Task Force. We provide no recommendation on the exact boundaries, other than to encompass as many potential users of facilities and services as possible within the district. This should help to alleviate the unfairness of the user free-rider problem and to establish a broader revenue base.
- Section IX of this report summarizes the special district formation process and procedures. The procedures are elaborated in detail in the memo in Appendix B. This memo summarizes the Oregon law and procedures for city consent, petition preparation and filing, county board public hearings, and election. The City Council would need to adopt a resolution to approve the petition to form a special district.
- Once the City Council adopts a resolution, the City would need to establish itself as a neutral provider of factual information to the voters on these issues. An independent citizen advocacy group would be required to move a petition through the County Commission hearing and ballot steps.
- Discussions by the Parks and Recreation Task Force have pointed toward agreement on a very small aquatics and recreation district, with 3.51 FTE. A special district of this size appears to be politically acceptable, economically and financially sustainable, and would leverage volunteer efforts and contributions from the community.

- A new special district would: (1) by contract, operate and maintain the pool facility; (2) complete any necessary pool replacement or reconstruction; (3) continue paying annual access fees to the School District and the City for field and facility use; (4) in the mid-term, arrange financing and construct an athletic field complex; (5) with volunteer assistance, operate and maintain the athletic field complex; (6) where resources allowed, provide grants to the City and School District for joint facilities development.
- A new special district would act as a governmental revenue generation and financing vehicle. The City would retire the pool local option levy. The new special district property tax permanent rate would encompass the current pool levy. The special district would have the authority to impose systems development charges (SDCs) on new growth, to establish user fees for services, and to refer debt measures to the voters.
- CPS has analyzed a hypothetical service area and boundaries for a special district, with a \$0.85/\$1,000 property tax permanent rate. Details of this analysis are in the accompanying Silverton P&R Alternatives 3-56-4 FTEs 8-5-19.xlsx Excel Workbook (Appendix I), but with assessed property tax value of \$1.28 billion, the rate would generate about \$1 million annually in revenue.
- Based on budget analysis for a six-year start-up period, this level of tax revenue should be sufficient to administer a special district; operate and maintain the pool facility; complete any needed replacement and reconstruction on the pool facility; begin purchase of land for a field complex; in the mid-term, begin construction of a field complex; and provide grants to community partners.
- Based on the six-year budget model to develop and ensure sustainable finances, special district managers and the community would need to follow a disciplined, sequential order of spending during the initial start-up. These steps include: 1) hire executive and program managers (3.51 FTE); 2) from time of establishment, fund pool operations and maintenance through contracted services; 3) save as much resources as possible in a capital savings fund to reduce future loan or debt payments; 4) fill budget contingency, reserves, and debt specific reserve funds; 5) obtain a loan to fund field complex construction, begin construction, and begin extended debt payments; 6) in years four, five and six, begin facility development and programming grants to the City and School District, and grants to an independent parks foundation and community groups.
- The Task Force and the City Council should strongly consider a slightly higher property tax permanent rate of \$0.90/\$1,000 or \$0.95/\$1,000 to provide adequate room for increasing labor, health insurance, and general operating costs over decades of operations. As a reminder, once established, a property tax permanent rate for a special district **cannot** be changed (per Measures 5 and 50). In any given year, the district is not

required to levy the full permanent rate limit. In other words, the district may certify a levy at any amount equal to or less than its adopted permanent rate.

B. Pool Related Recommendations

- The City would retire the Pool local option levy. Future revenue for the pool would be generated by the special district's permanent tax rate.
- Corresponding to the taxing authority and flow of revenues, transfer ownership of the pool facility from the City to the new special district. The Oregon parks and recreation district statute at ORS 266.410(5) defines the linkage between taxation by a parks and recreation government entity and how those revenues may be used.
- To ensure financial sustainability of both the City and a new special district, specifically define the total annual reimbursement provided to pool operations contractor. The special district should record and deposit all user fee revenues in its own district accounts, then determine a monthly payment to the contractor.

C. Athletic Field Complex Options

- The Task Force needs to consider and develop agreement on the number and quality of athletic fields in a special district capital development package. We propose a set of baseball, softball, and soccer fields using industry average costs. The Task Force needs to decide the standards for each field; some fields may be tournament level, while others may be neighborhood practice level. These decisions would adjust costs accordingly.
- A similar question can be asked of how the Task Force envisions an athletic field complex—whether it convenes tournaments and draws teams from across the Willamette Valley as a regional attraction, or whether it is primarily intended to meet youth league needs. If the special district selects a tournament-level quality, a higher level of maintenance may be required at higher cost.
- The Task Force needs to review the structures and amenities developed at a field complex. Restrooms, concession stands, sheds, field backstops, bleachers, parking, and access roads all present investment options.
- The Task Force needs to decide how to fund and construct trails and general recreation facilities.
- The Task Force needs to consider how capital developments will support the needs of a growing senior citizen population.

D. Grants to Partners

- A special district could provide grants to the City and School District to support the joint development of existing sites for parks, recreational facilities, and athletic fields. Such a program would increase the parks amenities available to the community and help to alleviate the field capacity issue. The availability and size of the grants would need to reflect available property tax revenues and reductions due to compression and debt payment requirements, and would need to fill and maintain financial reserves.
- A special district would support its community convener role by also making grants to community groups, nonprofits, and an independent nonprofit “Friends of” foundation. These grants could provide matching seed monies or full support for facility development, recreational programs, and specific community events.
- Establish an “Friends of the Special District” 501c(3) independent nonprofit foundation. The Board of the foundation might include two seats from the City, two seats representing the School District, two seats representing the new district, one seat representing businesses in the district, and two or four additional seats representing citizens and/or community groups. The foundation may receive tax-deductible donations of money and in-kind labor and resources. The foundation could play a strong role in focused fundraising, organizing volunteers and the community, developing a community strategic vision, designing capital projects, outreach and marketing, recreation program development and delivery, and providing remedial maintenance.

E. Fallback Scenario

Should the City, community and advocates choose not to move forward on special district formation, CPS offers the following City-centric recommendations.

- The City should organize community support to establish an independent “Friends of City Parks” 501c(3) nonprofit parks foundation. The City could provide directed financial support to the Foundation through grants. The foundation could play a strong role in fundraising, organizing volunteers and the community, developing a community strategic vision, designing capital projects, outreach and marketing, recreation program development and delivery, and providing remedial maintenance.
- At the end of the current pool local option levy, reassess the revenue needed from a levy to ensure sufficient revenues for long-term replacement and reconstruction, emergency replacement, and for operations and maintenance.

XI. APPENDICES

- A. Text of Relevant Oregon Revised Statutes
- B. Parks & Recreation Special District Creation Memo
- C. Public Opinion Survey Script (Questions)
- D. Survey Raw Data
- E. Peer Districts Cost Comparative Analysis (Two files)
- F. Lebanon Aquatic District Budget
- G. St. Helens Aquatic District Budget
- H. Task Force Meeting Slides (Stacked by date.)
- I. Silverton P&R Alternatives 3-56-4 FTEs 8-5-19.xlsx Excel Workbook file