

W. Q. B.

BOARD COVER MEMO

DATE: March 21, 2007

TO: Lane County Board of Commissioners

DEPT.: Public Works

PRESENTED BY: Todd Winter, Parks Manager

ITEM TITLE: IN THE MATTER OF CONTRACTING LIMITED PARKS MOWING AND CLEANUP, AND DIRECTING STAFF EXPLORATION OF POTENTIAL MCKENZIE RIVER ACCESS/USER FEES FOR FUTURE IMPLEMENTATION.

I. MOTION

TO SUPPORT CONTRACTING LIMITED PARKS MOWING AND CLEANUP, AND DIRECTING STAFF EXPLORATION OF POTENTIAL MCKENZIE RIVER ACCESS/USER FEES FOR FUTURE IMPLEMENTATION.

II. AGENDA ITEM SUMMARY

The Lane County Board of Commissioners is being asked to support limited contract labor and to direct staff to explore and analyze potential McKenzie River access/user fees to offset some of the car rental tax that has been proposed for redirection to the General Fund.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

On February 7, 2007, the Lane County Management Team drafted their recommendation that all car rental tax be redirected to the County's General Fund and that \$400,000 of transient room tax be directed to parks for those costs eligible for TRT. This equates to a direct net loss to the Parks Special Revenue Fund of approximately \$510,000 in FY 07/08.

B. Policy Issues

The Lane County Management Team has recommended to the Board of Commissioners that all Car Rental Tax (CRT) be redirected to the General Fund and that \$400,000 in Transient Room Tax (TRT) be directed to the Parks Special Revenue Fund. If the Board elects to support this recommendation, Parks' staff will be forced to make significant changes to operations. Policy and practice has historically been to provide most park maintenance services utilizing County forces with minimal contracted labor typically limited to park caretakers, hosts, and

assistance money that comes from the State Marine Board for maintaining boat ramps along the McKenzie.

For each ramp closure there would be a corresponding loss of revenue. The coop payments and maintenance assistance funds from the State subsidize County maintenance capacity but do not cover all costs. With a reduction in maintenance FTE there would be a subsequent need for closures and further revenue losses, approximately \$45,000 for the McKenzie watershed.

E. Analysis

On February 7, 2007, the Lane County Management Team recommended that the Board of Commissioners redirect the portion of Car Rental Tax that had been designated for Parks use to go to the County's General Fund; approximately \$910,000 or 40% of the Parks Special Revenue Fund. The Management Team also recommended that \$400,000 of Transient Room Tax (TRT) be redirected for Parks use. The most recent analysis of Parks expenses, conducted in September 2006, indicated that budgeted campground and marketing costs of \$400,581 would be eligible for TRT. This swap would equate to a net loss to Lane County Parks of about \$510,000 or 23% of the total annual budget.

Currently, a budget cut of this magnitude would require a significant reduction in workforce. Staff reductions would severely limit maintenance capacity and would necessitate park closures and reductions. It is estimated that the closures and reductions would cost the park system an additional \$118,000 in revenues from a number of leveraged funding sources. Closures and reductions include the following estimates:

On Fern Ridge

- Perkins Peninsula Park, including the loss of admissions (\$16,000), picnic reservations (\$1,700), and Marine Board funds (\$3,750).
- Orchard Point Park day-use, including the estimated loss of an additional \$15,000 in admissions and \$1,600 in picnic reservations.
- Richardson Park day-use, including the estimated loss of an additional \$30,000 in admissions and \$5,700 in picnic reservations.
- The marina and campground would remain open.

Taking into account pre-season preparation, post-season winterization, mowing, restroom and park cleaning, restroom maintenance, irrigation maintenance, and picnic shelter preparation and maintenance, the cost for utilizing adequate park maintenance staff resources would exceed the \$72,000 in lost fees. Perkins and Richardson may be viable options for remaining open if labor for mowing, cleaning, and site preparation were to be contracted for these limited needs.

Howard Buford Recreation Area aka Mt. Pisgah

- Regular County maintenance would be minimal. The Arboretum would continue maintenance within the lease area.
- The Friends of Buford Park would continue work within the Nursery and restoration project areas.
- The Sheriff's Posse would continue usage of the horse arena.
- Parking areas near the north Trailhead would be closed.
- Fee collection would be automated.
- With severe budget reductions and minimal staff capacity, Parks would discontinue ranger patrols and all problems with theft or vandalism would need to be referred to the Sheriff's Office.

Available staff resources will be directed toward keeping the campgrounds, marinas, and Camp Lane open and functioning. These facilities either generate net revenue or justify Transient Room Tax replacement for lost Car Rental Tax. Therefore, these facilities have been treated as top priorities for allocating the limited staff resources. Because of the physical separation between the various facilities, e.g. Florence to McKenzie Bridge to Bohemia Saddle, there is no economy of scale for converting the additional \$118,000 in lost revenue into currently funded positions adequate to keep facilities open and functioning safely.

With a redirection of all \$910,000 in current Car Rental Tax revenue to the General Fund and \$400,000 of Transient Room Tax to the Parks Special Revenue Fund, Lane County Parks will lose a net \$510,000 annually. Because of the leveraged nature of current parks funding and the requisite FTE reductions and subsequent maintenance capacity loss with this net revenue loss, Parks would lose an estimated additional \$118,000 depending on the County's ability to contract some basic labor and to increase some fee revenues.

While it is impossible to forecast increased fee revenues with precision, implementation of proposed fee increases and some limited expanded contracting for mowing, restroom cleaning, and picnic site cleaning would allow for limited reopening or more limited closures. Specifically, staff believes it would be possible for Parks to open the Richardson Park day-use area, the boat ramp at Perkins Peninsula Park, and to maintain the McKenzie corridor coop boat ramps and facilities.

One additional opportunity that may be explored is related to river access along the McKenzie. Fees are charged to users on the Lower Deschutes River and on the wild BLM sections of the Rogue River. On the Deschutes, a per person access fee is charged in addition to a day-use fee for vehicles. On the Rogue, guides pay a 3% access fee to BLM. If the Board so chooses, staff can explore McKenzie River access fees for possible implementation in May 2008.

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

) IN THE MATTER OF CONTRACTING
) LIMITED PARKS MOWING AND CLEANUP,
) AND DIRECTING STAFF EXPLORATION OF
) POTENTIAL MCKENZIE RIVER
) ACCESS/USER FEES FOR FUTURE
) IMPLEMENTATION.

ORDER NO.

WHEREAS, The Lane County Management Team has recommended to the Board of Commissioners that all Car Rental Tax (CRT) be redirected to the General Fund and that \$400,000 in Transient Room Tax (TRT) be directed to the Parks Special Revenue Fund; and

WHEREAS, the Lane County Parks Advisory Committee and finance and Audit has recommended approval of revenue increasing and cost reducing strategies to offset the impacts of redirected car rental tax revenues; and

WHEREAS, The Parks Division has developed a park reduction and closure schedule to adjust operations due to the impacts of redirected Car Rental Tax revenue; and

WHEREAS, The Parks Division receives no property tax dollars into the Parks Special Revenue Fund; therefore

IT IS HEREBY ORDERED that:

1. Contracting of labor for minor maintenance for mowing, trash collection, and site preparation/cleanup is supported by the Board.
2. Staff to begin exploration of a McKenzie River access/user fee for possible implementation in 2008.

DATED this _____ day of March, 2007.

Chair, Lane County Board of Commissioners

APPROVED AS TO FORM

Date 3-19-07 lane county


OFFICE OF LEGAL COUNSEL