

EAGLE RIVER/CHUGIAK PARKS AND RECREATION
BOARD OF SUPERVISORS

Regular Meeting Minutes – January 10, 2022

I. CALL TO ORDER

The Eagle River/Chugiak Parks and Recreation (ERCP&R) Board of Supervisors convened on January 10, 2022, at 7:08 pm via Microsoft Teams. Chair Pete Panarese called the meeting to order.

II. ROLL CALL

Barbara Trost, Alternate for Birchwood Community Council

~~Alexandra Hill, Alternate Birchwood Community Council~~

Will Taygan, Chugiak Community Council

~~Jackie Welge, Alternate for Chugiak Community Council~~

Camilla Hussein-Scott, Eagle River Community Council

Pete Panarese, Eagle River Valley Community Council

Ruth Armstrong, Alternate for Eagle River Valley Community Council

Josh Durand – Parks and Recreation Director

Karen Richards – Parks and Recreation, Principal Administrative Officer

John Rodda - The Boutet Company, Project Consultant

III. MINUTES

December 13, 2021, meeting minutes were approved

IV. APPEARANCES - None

V. PUBLIC COMMENTS - None

VI. OLD BUSINESS

A. Budget Review of 2022 Operations, CIP and Fund Balance Dollars

Board member feedback was received on this topic. Peter prepared a draft report summarizing the data and information that has been supplied to this point and has condensed the information into a community report to tell a complete story of the history for his council and encourages other members to utilize this summary report information to report to their community councils as well. Peter also identified conditions and challenges faces by the department in the last several years of earthquake, covid and staff hiring shortages being contributing factors to budget balances in operating, CIP and Fund Balance.

Peter discussed the needs, changes, and methodology behind the department's historical changes to the Mill Rate collection and how we reached the current 1.0 collection rate.

Will speaks to the fact that we are taking large projects and budgeting for them with fund savings (Maintenance Building and CHS Pool). He points out that the new and proposed 2022 CIP projects are predominantly projects that involve public and private community partnerships with local user groups and community businesses who brought their project ideas and needs before Parks & Recreation management for consideration and approval which shows that Parks & Recreation is listening to community ideas and requests with positive leveraging of those relationships and partnerships in order to best utilize project funds and meet recognized needs. The community should be aware that the Parks & Recreation department really is listening to the community and groups who are active in parks & recreation, and who are willing to volunteer resources, time and fundraising to see these projects completed.

John agreed that this leveraging of private and public entities is a significant piece as to what is happening in our community, which is not appreciated by some. It is in fact that leveraging of relationships within the community prior to 2004 to current with groups such as the Nordic Ski Club, CMBR, Baseball Clubs, Softball Clubs, Eagle River Street Maintenance and others that have allowed us to build responsibly, as each of them have contributed funding, sweat equity of volunteerism and time combined with Parks & Recreation's assistance and help with available resources, we have seen over the last 20 years the development of some great facilities for the Chugiak/Eagle River communities and feels Will's comments do need to be part of board member conversations with their community councils because we could not have done it alone. The local community groups stepped up to help and he appreciates what they did to assist Parks & Recreation in making the community stronger and better in providing better public facilities.

Brian Fay has a question about one of the report drafts and the idea of Bond retirement indebtedness and did some research. He found information that General obligation bonds comes with conditions of callable or not callable with possible penalties for calling early, but to say that it is not beneficial to the bond rating for the Municipality is vague and he would like some clarification on that.

Josh clarified that Karen and John presented this idea after having some conversation with the Office of Management and Budget (OMB) which made the idea seem possible. Josh then reached out to the Public Finance & Investments Manager and shared the response he received, in which he was informed that the idea is not legally possible as the Municipality gave investors the obligation of the entire Municipality and cannot now remove that pledge fund by fund, he was thanked for the idea and encouraged to bring forward any additional ideas. John further clarified that our intent with idea of paying off our bond debt was to take our small amount of money in that bond package and pay it off to give taxpayers a savings of \$726,104 for future payments but because we are part of the entire mass package, legally we can't do it. His concern is that the MOA has now refinanced yet again those bonds and when refinanced it extends the term of the bond but also in turn extends the amount of interest we pay and now with a new refinance of the bonds he's not sure what the end date of the principal and interest will be now.

Peter asks what would be the impact if we reduce the Mill Rate to .8 to save taxpayer dollars? Josh feels that a decision like that would be short sided especially in the interest of additional development and the population increasing within Eagle River/Chugiak, not necessarily as it relates to sports fields but trails and trail connections and if we don't have the funding in place to manage those things, that would be a mistake. Secondly, there is the need for constant upkeep and renovation of our assets, and it is not just maintenance and operations that takes care of them. Everything has a life span and needs replacement or upgrades at some point. The situation that was created is a nexus because of the bond service area and how challenging it is to pass a bond. If Eagle River/Chugiak puts out a Parks bond, everyone that lives in Anchorage gets to vote on that and you would need a massive educational campaign to educate all voters that they would not be paying for it but that you should vote yes on it to help your neighbors to the North. Girdwood Parks & Recreation has the same issue. An additional possibility is to change how the vote process works so that Anchorage voters do not get to vote on Eagle River/Chugiak bonds, and he is unsure if that is even something attainable or how. If we continue with the idea not to bond, we're going to have funding in place for deferred maintenance and new projects through the Mill Rate, we should stay with that scenario because the other bonding scenario more than likely will not work.

Brian identifies that if we go to a .8 Mill Rate collection scenario that effectively wipes out any CIP Project funding since that is currently set at .1.

John agreed with Josh's and Brian's comments and reiterates the long-standing department goal that we need to be able maintain what we have built and to cut the Mill Rate collection to .8, will diminish not only our ability to maintain, but will also prevent us from being able to build anything new and where would that leave the community? He sees this idea as creating a gross dis-service to the community and urges that we keep the Mill Rate at the current 1.0 and continue to manage our money wisely as we have always done.

Barbara also feels that if we reduce the Mill Rate it will come at a cost and would leave us without enough money for new projects or without enough staffing to take care of what we currently have. A cut to the operational budget means you're cutting people and that in turn cuts services or facility hours such as the pool etc. This would make people very unhappy.

Karen added that most of additional staffing growth within the department has been in maintenance crew staffing to keep up with increased needs, and a reduction would indeed affect those positions the services they provide.

Will has digested the proposed budget and it appears very reasonable to him, but he does have concern that we don't have enough money needed for the pool repairs and the maintenance facility, but if we have the additional \$602,062 of Fund Balance money that we cannot apply to bond debt payoff, we could utilized it to offset any additional funds needed and easily re-invest this money back into the community with these large projects because that is what it is there for. He asked what the next steps in the process are in relation to this?

Josh informs that if the board decides to propose a change to the Mill Rate division that would need to be presented for the 2023 budget in late summer of this year. If we elect to maintain the status quo then we will maintain the status quo. The department does not plan to change anything as it relates to operating vs. capital dollars but do expect to make some changes within the organizational staffing as it relates to maintenance, planning and the administrative team. Beyond any change to the Mill Rate and the division of capital vs. operating, as a department we do not intend to propose a change but if the board decides to provide guidance for a change that would become a topic before the assembly. Camilla has had some discourse in the idea of accountability when dealing with public money and references a couple of projects that incurred additional unforeseen costs during construction.

Brian asks how the department's determination to increase or decrease staffing and with the purview that this is a management decision with Josh and Karen being the ones to make those department decisions, but how is it handled with funding as far as with the board being responsible for approving when there is a change in determination that the department needs additional positions like a landscape architect, or a project manager etc.? How is that handled with relationship to the board? Is that assumed to be an administrative function that falls under the broader budget that the board approved?

Josh confirmed that those decisions are an administrative effort made within the department, but that we are public servants and we do listen to their board input. When he took over the department and became more familiar with the Eagle River/Chugiak division he saw that there was a lot on Karen's shoulders and saw that we did not have the appropriate positions within her organizational chart to support project development, public process and planning. They have found some great ways in Anchorage to develop a better product with less costs by having capable and fully functioning project managers and landscape architects.

Will asks if we have a goal of how much we want to leave in savings for projects?

Josh identifies that the pool project is a wild card at this time and there are other variables with the Maintenance & Operations department and the School District all playing a possible factor in this project, but he would prefer to retain approximately \$600,000 in savings for unforeseen needs that can arise at any time.

Lexi supplied the board with an e-mail commenting on the option of reducing the Mill Rate collection being presented by some. She was struck by the public comment that our large fund balance is not something to consider as good stewardship, but rather evidence of over taxation and feels this is a common misconception because it misses a key point of our capital mill levy/no bond strategy. If we ever want to undertake large projects and we don't want to bond for them, then we need to save up for them and in the process of saving we will amass a large fund balance. We don't necessarily know at the start of a cycle of saving what project we will want to undertake, but if we neither bond nor save a large balance then we will never be able to afford either a large balance new project or a major renovation. This is a point that needs to be made to each of our councils as we discuss our current fiscal situation with our councils.

Karen will revise the budget report submittal to delete the Bond Debt payoff and will update with another identified project need of similar value for the board's final review and approval.

Peter summarizes the budget report discussion with stating that the board in general speaking, supports the budget as most recently presented and supports it in terms of the operating budget and how it's reflected.

B. Update on Board Appointments and Members

Josh and Karen have had discourse and shared e-mails with Brice Willbanks (Deputy Chief of Staff) and another staff by the name of Terrance who also works within Mayor Bronson's administration. They are working on our board appointment issues and have asked for the board member roster and attendance records and are currently making the administrative efforts to make the board whole and to get everything back on track.

C. Peters Creek Dog Park Status

Camilla is wondering how much we are paying for studies on this project and where the money is coming from. Josh informs that at this time we have spent approximately \$30,000 for engineering on the dog park. The current engineer estimate for the dog park without contingencies is \$332,000. This is a pretty simple project but still has to have a licensed engineer involved so right now we are at about 10%. By hiring a new Landscape Architect/Project Manager they could easily manage this project as well as many others with no consultant for the Construction Administration. Without having that position the consultant fees for management of the project would be approximately \$40,000 and that is where the decisions we make in regard to the leadership for the department and how we use the operational dollars and capital dollars to deliver the product that the community wants for the lowest cost possible.

It has been a challenge for Karen and staff in the past and what we want to shoot for is a 10% to 20% soft cost for building projects and without having the right people within the org chart on the team to manage these we will get consultant heavy, and we will see projects with costing of 30% to 50% in soft costs.

Josh presented the latest draft plan from the consultants and explains the concept plan and mitigation of the community concerns. The current layout will be revised somewhat to better suit some noted concerns by the public. The cost of fencing for this project is anticipated to be approximately \$100,000, but if we did not fence the Northern ridge overlooking Lace Road, we could realize a savings of approximately \$50,000, so further discussion will need to be had on fencing needs and consideration. The question in relation to fencing will be if we have expectation that owners have some responsibility over control of their pet or, do we expect a fully fenced enclosure with no escapement opportunity? There are plenty of successful examples in Anchorage of dog parks in forested areas that are not fully fenced in. Fencing is viewed as necessary when near to neighboring private properties and roadways, but the Northern diagonal fence line area is not definitive. The current draft estimate presented does not account for any soft surface trails within the dog park. Options for a soft surface trail development: 1) We get the

parking lot and fencing in and then pay attention to the use and where people want to go and how they want to use it guide further design. 2) we do plan out the soft surface network of trails (some already exist) and create a loop much like Maeve's original design concept and to save funds as it relates to this idea, we have the option of utilizing the Youth Employment in Parks (YEP) crew to build these trails. The YEP crew is well versed in developing soft surface trails and could probably accomplish this work in one week, which would provide a big savings. Utilizing the YEP crews help build future good stewards of our parks and trails and combined with a couple of volunteer day opportunities, also builds additional community stewards of our parks and saves taxpayer dollars going into the project. Josh summarized that where we are at right now, is that we are looking at a dog park that can be delivered for \$332,000 minus the network of soft surface trail and minus the seeding associated with the disturbance associated with where the fence installation occurs. Those are things that we can accomplish in-house through YEP, volunteers and our maintenance crews. Josh and Karen will have a couple of additional options for parking layouts etc. at February's meeting. The department is interested in board member questions and comments, so we make sure to meet the community needs with this project.

Camilla notes that the Northern fence line is very steep decline into the road and will be tough to tell people to keep control of their dogs in that area.

Barbara asks if we decide not to fence the Northern line of the park at this time, how much would it cost to come back later and accomplish if people had complaints?

Josh feels that it would cost approximately \$60,000 to accomplish this fence line later, but there are efficiencies involved when the package is accomplished all together and inclusive.

Will asks what it is we want to accomplish as there are people with off leash dogs in the park on the other side of Lace Road without enclosed fencing and the Northern ridge line poses somewhat of a natural barrier for the dogs so is a fence necessary there? He points out that this topic and need for a dog park came up because people were using Loretta French Park and ballfields as a dog park and not cleaning up after their pets. He asked about an open play area possibly being needed for people wanting to throw balls and socialize their pets.

Brian reminded the board that results from our initial dog park survey received 289 responses, of which 19% readily agreed they would volunteer to help build a dog park and 59.5% responded maybe, if they knew what was needed of them.

John feels that good points have been made in discussion and does not think it is necessary to fence the whole area. There is natural terrain that can be used in design which will provide a cost savings and agrees that through volunteer groups, YEP, and possibly scout group resources, that we can realize the development. He pointed out one other piece of possible cost savings to this project, and that is that Karen has stockpiled some salvaged roadbed material that could probably be used for the parking lot or soft trail build up material. Money can be saved in non-fencing portions, volunteer groups, YEP crew and materials on hand.

Camilla suggested possible use of JROTC group as volunteers. She feels that a fence is necessary as her dogs will test the boundaries and tend to run all over unless shock collars are utilized.

VII. NEW BUSINESS

VIII. ACTION ITEM

IX. INFORMATION

A. Beach Lake Chalet Opening

Karen has received a qualified candidate for the Chalet operation and if he accepts the position the Chalet should be open and manned on a reduced schedule unless another applicant comes through. The scheduled days of operation are Tuesday through Thursday, Saturday and Sunday. Closed Monday and Fridays

X. DISCUSSION

A. Barbara mentioned to Karen that AWWU contractor crew recently accessed the Beach Lake NW1/4 area at Almdale Street, accessed the sledding hill and then traveled down towards Pioneer Street leaving quite a bit of disturbance and possible hazards. Karen was not notified by AWWU of the need to access and will look into possible damages.

B. Will asked about the Eklutna PUE access question of why they are not proposing to utilize the existing waterline gravel road corridor instead of crossing the park where they are. Josh informs that they are not able to use that as a roadway due to constraints associated. He anticipates that a project representative and an Eklutna, Inc. official may attend February's meeting for question and comment.

C. Will asked Karen about reports of Beach Lake trail timers being off in their operational times. Karen is aware of the issues and Facility Maintenance should be making the necessary changes to reset.

XI. TABLED ITEMS

XII. ADJOURNMENT

The meeting adjourned at 8:50 pm


Pete Panarese, Chair

2/24/2022
Date


Josh Durand, Director

3/29/2022
Date