

MINUTES — Regular Meeting
CHUCKANUT COMMUNITY FOREST PARK DISTRICT
Wednesday, October 28, 2020 at 6 PM
Online Meeting Through Zoom
Mailing Address: PO Box 4283, Bellingham, WA 98227

Official email addresses for Commissioners, where public may send comments (subject to public disclosure):

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Our Mission: The mission of the Chuckanut Community Forest Park District is to ensure the entirety of the property is protected in perpetuity in public ownership, with respect for its ecological, recreational, and educational functions and to serve as a fiscal mechanism through which the district, via a tax levy, will repay the City of Bellingham for the Greenways Endowment Fund loan.

Call to order: Frank James. Welcome Commissioners and Citizens. Per Chapter 42.30 RCW (Open Public Meetings Act), CCFPD board meetings are open to the public. This meeting is being voice recorded. Due to the Covid-19 outbreak and the Governor's "Stay At Home" Order, this meeting of the Chuckanut Community Forest Park District will be conducted online on Zoom.

Roll Call: Frank James, John Hymas, John Brown, and Hue Beattie. John McLaughlin arrived later.

Introductions: Bob Carmichael, legal counsel, Robyn Albro, secretary, Steven Oliver, Whatcom County Treasurer. No members of the public were in attendance.

Motion: Moved to approve agenda by J. Brown, second by J. Hymas. Approved 4/0.

Presentation by Steven Oliver, Whatcom County Treasurer's Office, on status of CCFPD loan repayment to COB. County wide, property tax collections at the end of September were only off about 1 ½% from historical collection rates. Collection rates look rather good at this point. Hopeful that trend will continue. Heightened level of anxiety in the community due to the pandemic with the economic and financial uncertainties. In the tax area that the Park District levies in, historically that has been one of the areas with the highest rates of collection in the County, with a rate of 99+% collection rate, and from what we have seen so far, that looks to continue. At the end of 2020, the balance on the loan looks to be about \$650,000. That level puts the possibility for the district to pay off this indebtedness in 2021. You could do it by levying at a similar rate as you have historically. With new tax collections in 2021, and the amount of your cash balances that are available, it is certainly feasible for the district to pay off this debt in 2021. Right now, the Park District's levy is about 2.7% of the consolidated property tax levy in the area that you levy in. If the Park District wanted to reduce your levy rate to give a break to taxpayers, the impact on a property valued at \$300,000 to \$400,000 would be \$40 to \$50 dollars. Not paying off the loan in 2021, would probably cost the taxpayers an additional \$8,000 to \$10,000 in additional interest.

B.Carmichael: Under the estimate, if the board adopted a levy at \$.28/\$1,000, there looks to be a balance of just under \$10,000. Is that estimate based on existing valuations or could new valuations result in the levy bringing in more revenue, paying it off even sooner than the end of 2021?

Steve Oliver: That is very possible. In the section, tax roll, 2021, we have an estimated taxable value for the district. The assessor hasn't finalized that number for 2021 but will have it in the next couple of weeks. Made assumptions based on historical data, however the increases in property values the last couple of years have been much higher. That estimated taxable value for the district is probably a conservative number, given this circumstance, it is probably likely that the loan could be paid off with a \$.28/1000 levy or potentially something even less than that. The District does have some cash reserves on hand and that can also be used to repay that debt as well.

F. James: Is anyone reducing taxes in the county or city? Steve Oliver: I have not heard of that happening in the 22 years in the Treasurer's Office. F. James: I know you are not a forecaster, but I have read that we have not yet seen the major impact of the Covid-19 pandemic, and that many

people believe there is going to be a substantial downturn in our economy.

Steve Oliver: My personal feelings are, if we haven't entered a recession currently, we probably will relatively soon. There is some consensus that there will be a recession, but not much information on what that recession will look like.

F. James: You said the interest costs of cutting the tax levy might be as much \$8,000 to \$10,000. What percentage is that of the total amount that we would collect and pay to the city this year?

Steve Oliver: For this year, the district has paid \$16,703 in interest to the city to date. That interest is probably going to be \$20,000 in 2020. F. James: How much is that \$10,000 to the total amount we pay the city. Steve Oliver: It is roughly \$10,000 per \$300,000. F. James: So, a fraction of a 10th of a percent. Steve Oliver: Yes. Pretty di minimis at this point.

F. James: The cost of doing this is a fraction of what the total amount is. The question for us that I've heard from a number of people in the district is why do we continue to tax at this rate when there is hardship and very likely more hardship coming? We have had this benefit from the real estate rush to our area, but that looks like a short-term thing, especially if the economy goes into a recession. I am actually more concerned about the economy maybe than some people are, but most of the constituents we have are very concerned about the economy. Tax relief may seem minimal, but I think we have an obligation to do what we can for a minimum cost of a fraction of a percent. Extending and cutting down the tax as much as we can is a good example to others who might find their way there, but also a responsibility we have, as I see it. That is the context in which this discussion came up before. We don't have the costs that the city and the county does by any stretch of the imagination. As people look at their tax bill, we are listed on that. I have heard a number of people say they would like to see that number lower.

Steve Oliver: I understand that sentiment very well. The issue is in terms of actually being able to provide a level of tax relief, the district's portion is a small slice of the tax pie. F. James: How much less would the tax bill be if we cut it in half? Steve Oliver: At \$.28 this year, the levy was almost \$700,000. Cutting it in half would be about \$350,000, maybe a little more depending on how much property tax values went up within the district boundaries.

Frank: I appreciate the clarity and precision that you always bring to discussions. Thank you so much. This is complicated stuff and I delight that you make it simple, direct, and understandable.

Steve: If you have any questions, feel free to email me or call me. The topic of property taxes and understanding all the nuances is a very dense subject and not always very intuitive.

Motion: Changes were made to the minutes. Motion to approve the September 23rd meeting minutes as amended made by J. McLaughlin, seconded by J. Hymas. Approved 5/0.

Park Advisory Board Meeting Report: J. Hymas, liaison to Park Advisory Board. Nothing happened in the September meeting. The October meeting minutes won't be out until November 9.

Old Business:

- **Trail Design Public Meeting Review / Wayfinding and the Parks Draft Plan.**

J. McLaughlin: Received a wide range of comments. There was more of a consensus, might be because there weren't as many people. We still have a diversity of opinions. I would concur very strongly with Gerry Wilbour's comments about having a robust public process with a lot of public input. The Parks Dept. came up with many of the same elements as the students did. I think we should take a careful look at the designs, the conservation and restoration needs, and come up with our own recommendations, and otherwise really get ready to support the Parks master plan. This is one key component. We really ought to be figuring out with our own ideas, what should be in the Parks master plan because this is such a different place than any of their other parks. If we can get ahead of the process, I think there will be a better result. I fear the Parks Dept. hiring a consultant to come up with something without local knowledge and who knows what comes out of that. If we can put enough in place so that the Parks Dept. or their consultant works with what we get out, we being the park district board and channeling the public input we have, then we are operating in our role as a steward for the place.

F. James: That makes sense to me John. Shall we set that up for the next board meeting or is there is an interest in having that discussion now?

H. Beattie: From the hearings we have had, I would like to say that dogs don't pay taxes and people don't particularly want dogs in there to disturb wildlife. No dogs in there, no bikes in there. If there is a bike trail, maybe just one bike trail. People get hit by the bikes, and dogs disturb the wildlife.

J. Hyman: At this point I think we are going to pay off the loan before the city is ready for a master plan. How much are we going to have to pay an entity, like Whatcom Land Trust, to accept assignment of the conservation easement? That is another cost.

B. Carmichael: Before the district is dissolved, the board needs to assign the conservation easement to a qualified conservation organization. We took discussions to a point quite some time ago and then stepped back from it. The discussions happened with the former executive director. We have not had that conversation with the current executive director. My recollection is they were not going to charge us for anything, which surprised me because they usually do charge for conservation easement monitoring because it is a job and task. Whether that would still be the case, I don't know, they were informal discussions, and we didn't have anything in writing. We would probably have to start over again.

F. James: My recollection is different, I heard they were not interested in taking on the conservation easement at the time, the reason was that they didn't have the resources which they had come to learn that they needed to be able to defend and enact the conservation easement. What I heard them say was that they needed significant resources to take it on. They weren't interested because they didn't have the resources to effectively do it. I just had another discussion with the president of the Land Trust, and the main problem they have right now is having adequate resources to manage the many agreements they already have in place. I think we could approach them again and have the discussion, but I think they would need significant resources to protect, defend and carry forward that stewardship function.

B. Carmichael: I remember Rich Bowers saying more than once that the Land Trust was interested in that property and wanted to take that property on.

J. McLaughlin: I remember Rich being interested in Chuckanut Community Forest and the adjacent property, that they call the Chuckanut Wetland, being managed as a whole. This is different than most of the other easements or in fee properties that they have and addressing the unique needs of this property would require substantial community participation. Might need a volunteer group. Would need more frequent than annual monitoring. The Land Trust has not acted on any of those needs even with the adjacent property.

F. James: Need to reopen conversations with the current leadership and consider other options if it doesn't work out with the Land Trust. I think we had talked about the University.

J. McLaughlin: I communicated with a member of the University on the Arboretum Board to find out how that works. It is a little bit different of a board, a committee that has several members of the University and the city. Person I talked to was faculty, and you can entice them into spending time and they can call it service. There was also a staff person, if not the facilities director, someone close to that. It could be possible to get the University to embrace this, enough to dedicate the time of a staff person, if we could convince them of the educational value. There are things to be careful about in considering the University as a recipient of the easement.

F. James: Sounds like we have potentially two organizations we have had limited discussions with. Time to move this to the front burner. What about a limited use research facility, which would keep the homeless out of the area, and be more attractive to the University?

J. McLaughlin: Right now, only 9% of University classes are in person, due to the pandemic. The University values being able to label itself as hybrid under Covid, instead of entirely online. I have taken my classes to the forest many times for different purposes. It is serving an important need, especially during Covid. There have also been groups of younger kids out there as well. What kind of commitment or resources would the University need to dedicate to take this on?

F. James: What about locating a small research facility in the quarry, inside of the bike jumps we talked about at one time. That might provide an on-site supervisory and monitoring role that would make it less likely that it would fall into disuse or untoward things could be prevented.

B. Carmichael: I absolutely think it is possible. It is right in line with the purpose of the conservation easement, to allow for uses that are compatible and consistent with the forest's preservation, one of those is educational. The quarry site is perfect. It is low impact and could build something that wouldn't have any adverse effects on the environment.

H. Beattie: Of all the Land Trust properties, it seems that the Stimpson Reserve is more in line with what kind of a conservation easement we want. What did it take them to do that, it is a lot bigger area than ours?

B. Carmichael: An educational facility could be located there regardless of who owns the conservation easement. If Western held the easement, might be more likely to get funding.

J. Brown: Can Land Trust or the University combine, where they could both be part of the easement? B. Carmichael: The Land Trust does partnerships with folks all the time. Stimpson is an example. There are lots of other examples. The Land Trust only wants to monitor the conservation easement. That is why this is a good fit for them in my opinion. It is going to be a city park, but subject to the land conservation easement rules that the Land Trust would make sure the city applied in perpetuity. But Western could do the same thing in that role.

J. Brown: You would have three entities stepping on each other's toes. F. James: It has actually worked the other way around with the arboretum, it has put a balance into it and allowed it to be preserved very well. There are countervailing forces that keep any one force from doing what they will with it. J. Brown: I am encouraged about the whole discussion.

J. McLaughlin: With what Steve Oliver said about the loan, we are set to sunset before the master plan is going to be put in place. B. Carmichael: As a reminder, there is a provision in those conservation easement documents that precludes the dissolution of the park district board until after the master plan is completed, even if we pay off the loan earlier. That was deliberately done because we foresaw that the city could drag its feet on the master plan, and we didn't want to be sunsetted out before they did it. We knew the park administration at the time wanted us to dissolve as soon as possible. Dissolution is not initiated by the park district board; it has to be initiated by the city. After the master plan is done and the loan is paid off, the city would file a petition for dissolution of the district. It would be up to the Park District to be in touch with the city and put that dissolution in effect. In the interlocal agreement, we have one year to dissolve after the city files its petition. At the end of the dissolution, the city will end up with all the liabilities and assets of the park district. The conservation easement will survive, and we need to transfer that conservation easement to whoever we want to hold it before we are dissolved.

J. Hymas: I brought it up and I really like what I am hearing from everyone. This goes hand in hand with timing. Maybe we will need more money than we think if an entity needs money to deal with the easement or build an outdoor classroom.

F. James: Could we use funding for those two purposes, to build a research and monitoring facility and could we also raise money for the implementation of the conservation easement?

B. Carmichael: There will be some people that will say that is beyond the scope of what the park district was formed for. That is a political debate, from a legal standpoint you have the authority to do that.

F. James: There are people who look at it very narrowly. We went to court, and our larger mandate was more than just paying back the loan. B. Carmichael: The case was decided by the Court of Appeals Division 1. The plaintiff requested review by the supreme court. We opposed that request and the supreme court of Washington refused that review.

J. Brown: I think we should table it and think more about it.

H. Beattie: We all have a term that we are elected for and we don't want it to expire before our terms are up.

J. McLaughlin: What would be required for the easement? What is the interest in the different options? B. Carmichael: I can summarize what is legally required for the transfer. Under the interlocal agreement we will need to give the city 30 days prior notice of who we are going to

give the easement to. The city does not have the right to approve or reject it, but they do have the right to be consulted about it. The assignment would be simple. I would prepare a document that would be an assignment of the conservation easement and we and the organization getting the easement would sign it. We would record it. That would effectively transfer the easement. If this organization wants to have some sort of agreement with us that would require us to make financial payment or some other consideration or there would be some involvement we would have while we are still in existence, those are points of negotiation that could be put in an agreement that would go along with the assignment.

J. McLaughlin: What legally is required of the receiving organization under the easement?

B. Carmichael: Under the assignment, the receiving organization would step into our shoes and they would have all rights and obligations of the grantee under the easement. The grantor is the city. Unfortunately, we won't be able to oversee them because afterwards we will be gone, so you need to choose wisely. Whoever has that has discretion. When we have seen violations, in our oversight of it, the board has either intentionally or unintentionally made decisions to enforce or not to enforce. Sometimes we have contacted the city and pointed out violations and sometimes we have let them slide. We always have had another choice, if the city didn't take action we could go to court and require the city to remove bike jumps and other sorts of things. We haven't chosen to do that. Those are the same kinds of choices that whatever organization takes on this easement will have in perpetuity.

J. McLaughlin: It isn't so much of a legal matter; it is more of a commitment and a philosophy.

B. Carmichael: I think what is most important is to identify an organization we are comfortable with handing this over to and recognizing that perpetuity is a long time, we can only do so much.

R. Albro: There will still be cash in our account at the end of 2021, approximately \$200,000.

F. James: I would be happy to sit down with the Land Trust and the University. Does anyone want to join me? J. McLaughlin: I will. F. James: We can do a factfinding mission and bring it back to the next meeting. J. McLaughlin: Gabe Epperson is the Land Trust executive director.

B. Carmichael: Frank, I will send you his information. F. James: We will put this on the agenda.

J. McLaughlin: For the trail design conversation, if everyone could look at the minutes, and the Parks Plan and the Trail Designs, and we will be prepared to have a concrete plan at our next meeting.

- **Resolution of Restoration Priorities**

B. Carmichael: The idea behind this resolution was to move forward the work J. McLaughlin did. I took that document and put it in the form of a resolution, and if the board wanted to move forward with something like this, they could adopt it or change it and it would be an official position of the park district board. It could be sent to the city, submitted as part of the park master plan process.

J. Brown: Is there any liability in all of us signing off on this resolution, does it bind us in any way that is going to come back at us? B. Carmichael: We are creating a policy resolution on what we think is important to do in the Chuckanut Community Forest.

J. McLaughlin: I have gone through and put some of that information into course assignments. So, there are more details, but as far as the priorities ought to be, no I wouldn't change anything.

H. Beattie: I would like to amend it. I would like to have a subsection 5b about invasive dogs or domestic animals. J. Brown: We are going to get some blowback on this.

F. James: Dogs are not currently allowed offleash. Perhaps finding some enforcement about off leash dogs. H. Beattie: I would like to see on leash if it is limited. F. James: So, say if we had one trail that allowed bicycles and dogs on leash. H. Beattie: Yes.

J. McLaughlin: I think we have two different kinds of issues here, what are the physical restoration needs of the place and what are the policies of the use of the place. It would be prudent to separate these two and not mix very contentious policy issues with the actual restoration needs. The park master plan ought to lay out the policies. That will be a matter of very vigorous debate. The restoration needs should be more technical and not terribly controversial. What is the place and how is it used? I think if we can separate those two, then

we can get the restoration needs through, then focus on the important policy and use debates.

J. McLaughlin: The issues are dogs, horses, and bikes. There is a third one, to the degree that we are changing and narrowing the trails, mitigating trail impacts with boardwalks and bridges, we also have to consider complying with the ADA. There are width requirements for bridges and boardwalks for wheelchair access. Should every trail be ADA compliant or some where we might not need to. Main issues, dogs, pigs, and horses and whether dogs are allowed, if we go with the park policy now or the current practice.

H. Beattie: I withdraw my subsection 5b.

J. Brown: I make a motion that we accept the Resolution which is the collaborative effort of J. McLaughlin and B. Carmichael. We authorize Robyn to set in motion a process to have it signed.

H. Beattie: I second it. Motion passed 5/0.

New Business:

- 2020 Budget vs Actual year to date & 2021 Budget & Upcoming Public Hearing in November, and tax levy for 2021.** B. Carmichael: This upcoming public hearing on the budget also needs to be published as a hearing on the tax levy. I know we have been considering the levy rate at \$.28/\$1000 or perhaps reducing it by half. I did decide that it would be a good idea to check in with the city on it. I sent an email to Alan Mariner at the city and explained our thinking, the timing, and the different options the board has in front of it. I asked him if the city would have an objection to the park board reducing its tax levy for 2021 to half and pay the other half in 2022. He ran it past the park's director and the finance director, and the city is okay either way. You do have to decide on that at your next meeting. It would be ideal to have some idea so we could prepare the levy documents for you to approve before the next meeting. We could prepare both of them, or if you are leaning just one way, we could just prepare one.

J. McLaughlin: What are the practical options?

B. Carmichael: Presently it is estimated that we will have a little less than \$10,000 remaining at the end of 2021. That is based on the conservative assumption, if evaluations are a little bit higher, we could pay it off in 2021. We do have additional funds, so if we approve the \$.28 levy for next year, we could pay it off by the end of 2021. Steve Oliver mentioned that there would be an additional cost to the taxpayers of doing the \$.14 tax levy of about \$10,000 in interest, and in emails it was mentioned that it would be more work for the city and the county staff.

J. Brown: I am of a divided mind of whether to go with \$.28 or \$.14 and I think it would be good to have Bob prepare both documents and we will make a decision at the next meeting.

J. Hymas: I agree. J. Brown: Can Bob just bring both documents next time? B. Carmichael: Yes.

F. James: We will exist as long as it takes for the plan to get done. B. Carmichael: It is possible it could make a few months difference, but you are correct. The Parks master plan is to be started in 2021 and ended in 2022. If we pay off the loan by the end of 2021 and the park master plan was done by September of 2022, they could immediately send a letter for dissolution which would be earlier than if we paid off the loan before the end of 2022. The city has to take the initiative, you can't dissolve, even if you wanted to. I suspect we could have some influence with them on timing as we have a good relationship right now and I think they will work with us.

F. James: If there were an appetite for and a plan for additional funding for this after we dissolve, is there a way we could put money into that before we dissolve?

B. Carmichael: If we give ourselves enough time and have some money at hand when we make the assignment (we can make that assignment at any time), if we decided we are going to use some of the extra money to help fund the monitoring of the conservation easement, that would be a legitimate purpose of those funds. If we don't do that and we don't have to make this contribution if whoever takes the easement doesn't require it, whatever funds the park district has in its reserve will become the property of the city upon dissolution and the board won't have any control over how it is spent.

F. James: If it were thought to be desirable and say the University had an interest but they really wanted some assurance that the property could be built on or wanted some of the construction cost to be borne by us. Is that something we could do? B. Carmichael: Yes, as long as it fits within the goals of the conservation easement. A building or facility for educational needs would fit. One of the other policy issues that will come up in the master plan is facilities. The conservation easement does not prohibit facilities. It is a question of what kind of facilities.

There could be a building, a parking lot, or a bathroom. It doesn't seem like we are going that direction at all, but I do think there could be a case made for some sort of research building.

J. Brown: Who comes up with the rest of the money if we need more than we have.

F. James: We have the money to fund some simple structure, but the question is, do we want to do that? Would that need to be an inducement to have a partner in the ongoing conservation of the space? J. Brown: Good question. It would be an inducement to the University if the park district could fund some sort of structure. J. McLaughlin: I can see the University saying what kind of maintenance obligation do we have.

F. James: A facility is a valuable thing, especially if it is mostly funded. My goal is to say how are we going to get the best conservation easement when we are gone, get the best security of the space, the best long-term shepherding of the space that it is both secure, safe, as well as preserved for its ecological value. I see these as tools to achieve that goal.

J. Brown: The public has paid a certain amount of taxes, if say we are going to use this money to build a facility, the public would say we paid that money to pay off a debt, we didn't agree to build any facility. FJames: That is not actually what the public agreed to. The public agreed to the actual words in the document which is definitely to pay off the land, but that is not all it was, it is that we protect the ecological integrity, and have a long term commitment to that in perpetuity.

B. Carmichael: You are both making valid points. Having defended the park district in court, having read all those documents, arguments for and against, there is evidence to support both of your positions. I think a case can be made for both; you are going to find people on both sides of that question. If the park district does want to use those funds to contribute to some kind of facility, there needs to be an idea of what that facility is or what its purpose is.

H. Beattie: If we had a gazebo at the gravel pit, sit down on the bench out of the rain and have a lecture, doesn't have to be a classroom.

R.Albro: I wanted to bring to everyone's attention that J. Hymas's term expires at the end of 2021. F.James: So, we might have another election.

Monthly expenses and cash flow sheets.

Petty Cash: WECU Bank account balance as of 9/30/2020 was \$2,905.72.

Treasurer's Report: As of September 30, 2020, Whatcom Co. Treasurer's Monthly Report, beginning unencumbered cash balance (9/01) \$214,962.36, ending unencumbered cash balance (9/30) \$224,645.05. We received tax revenues of \$15,280 in September. \$1,172 in operating expenses, and \$4,426 was paid on our loan to the city of Bellingham.

Current debt outstanding as of 9/30/2020: \$933,968.56

Motion: By J. McLaughlin to approve District Payroll Input Form, wages for Robyn Albro, 22.75 hours in September 2020, total gross of \$568.75. Second by J. Brown. Approval 5/0.

Consent Agenda: Motion by J. Brown to approve following payments. Second by H. Beattie. Approval 5/0.

- Payment on the September 15, 2020, Invoice #92636 from Carmichael Clark PS for \$1,171.50, for regular professional services.
- Payment on the October 07, 2020, Invoice from Whatcom County Administrative Services for 3rd Quarter Payroll Services, for \$30.00.
- Payment on the October 26, 2020, Invoice from Robyn Albro for mileage for August, Sept., and Oct. for \$33.12.
- Payment on the October 28, 2020, Statement for Petty Cash Reimbursement to the WECU Account for \$193.98. Breakdown of costs: Annual Corporation Filing (7/24) \$10; Safety Deposit Box \$35, Office Supplies (paper) \$17.37, Copies \$22.97, Zoom Meetings (4) \$65.16, Zoom Webinar \$43.48.

Reminder: R. Albro will send an email to J. Brown, F. James, and J. Hymas right after the meeting. Please respond confirming that you approve paying of bills as listed in the consent agenda/payroll.

Next meeting: Wednesday November 11, 2020.

Adjourn. Time: 8:03 pm.