



Nature  
**HISTORY**  
Discovery

# 2010 Annual Report

## Oregon State Parks and Recreation Commission

FY2010	
Revenue	\$96,959,322
Expenses	\$(83,321,658)
Assets	\$269,419,577
Liabilities	\$(13,069,245)

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### FY2010:

July 1, 2009 - June 30, 2010

The Oregon State Parks and Recreation Commission is a governor-appointed body of citizen volunteers who provide guidance and oversight to the Oregon Parks and Recreation Department. As do most state agencies, we publish a budget every two years. The document estimates future revenues and spending. This Annual Report is a practical look back at actual conditions.

As we fulfill our mission to provide and protect outstanding natural, scenic, cultural, historic and recreational sites, whom did we serve? What are we accomplishing, where are we going, and what forces are shaping our future? This report gives you a brief overview, and invites you to ask for more detail, either by contacting us directly or going online (see back page).

The state park system, Oregon Exposition Center, heritage programs and statewide recreation services form our basic purposes. To manage Oregon's natural and cultural resources and serve our communities, we pursue a three-pronged strategy.

**Extend service:** use existing and new parks and programs to serve the growing and changing needs of Oregonians and visitors, and reach out to all Oregon communities with advice and grants to support local recreation and heritage resources.

**Improve stewardship:** Protect natural and cultural resources, and apply techniques that allow Oregonians to use and appreciate resources without depleting them. Our network of relationships with other citizen organizations, communities and public agencies powers this forward.

**Refine internal systems:** Use talents and expertise from inside and outside the agency to train and retain staff and increase their productivity while controlling costs.

In the last year, we've begun to take steps to match different kinds of revenue—park visitor fees, Oregon Lottery, RV registrations, grants and federal monies—to the programs that perform these three functions. As expenses rise and these funding sources vary up and down, our challenge is to reduce costs and align funding to strengthen our basic services. For a deeper understanding of these three principles, order a copy of *Centennial Horizon: Shaping the Future of Oregon's Parks, Recreation, Conservation and Preservation* by calling 1-800-551-6949, or read it online at <http://www.oregon.gov/OPRD/centennial.shtml>.

Tim Wood, Director  
Oregon Parks and Recreation Department

## Service

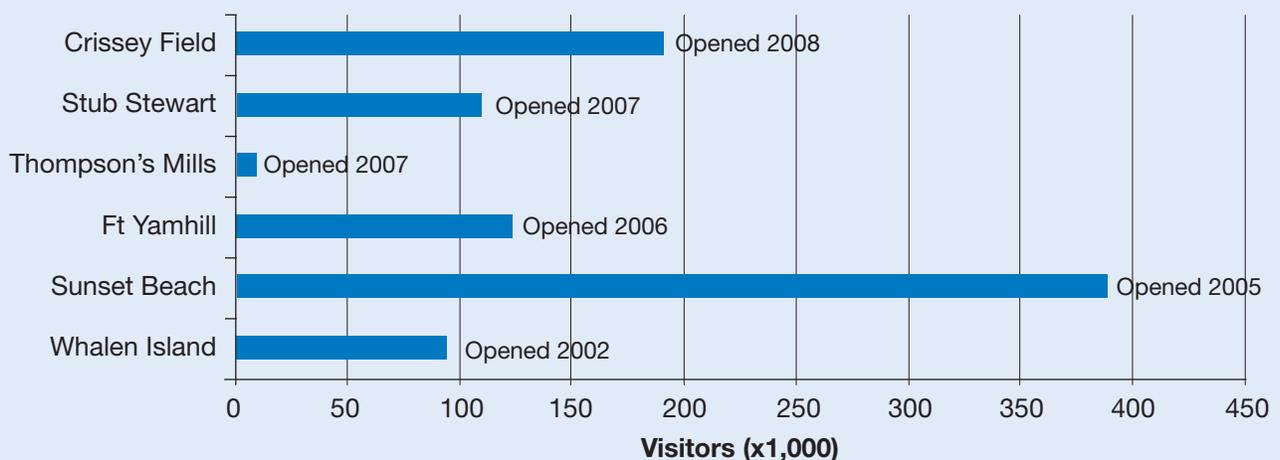
*We serve Oregonians directly every day by operating one of the nation's most popular state park systems, by directing money and support to communities in every county and by improving statewide recreation opportunities.*

### State Parks in FY2010

- Day visits: 41.2 million, 5th nationally (up from 40.3 million in FY2009).
- Camper nights\*: 2.5 million, 9th nationally (up from 2.4 million in FY2009).
- Satisfaction: 88% rated their park visit above average or excellent.

**A new park opened in FY2010:** Iwetemlaykin State Heritage Area, joining six other state parks opened since 2002. A 62-acre park with rolling grasslands set against the stunning backdrop of the Wallowa Mountains opened in late 2009. Purchased with \$3.2 million in Oregon Lottery funds and \$900,000 in donations, Iwetemlaykin is a sacred place to the Nez Perce Tribe, the Confederated Tribes of the Colville Reservation and the Confederated Tribes of the Umatilla Indian Reservation. The property is adjacent to the Nez Perce National Historical Park, site of Old Chief Joseph Gravesite and Cemetery. Local visitors immediately took advantage of the park's trails leading to spectacular views of the Wallowa Mountains, and blankets of spring and summer wildflowers.

Visitors at each state park opened since 2002



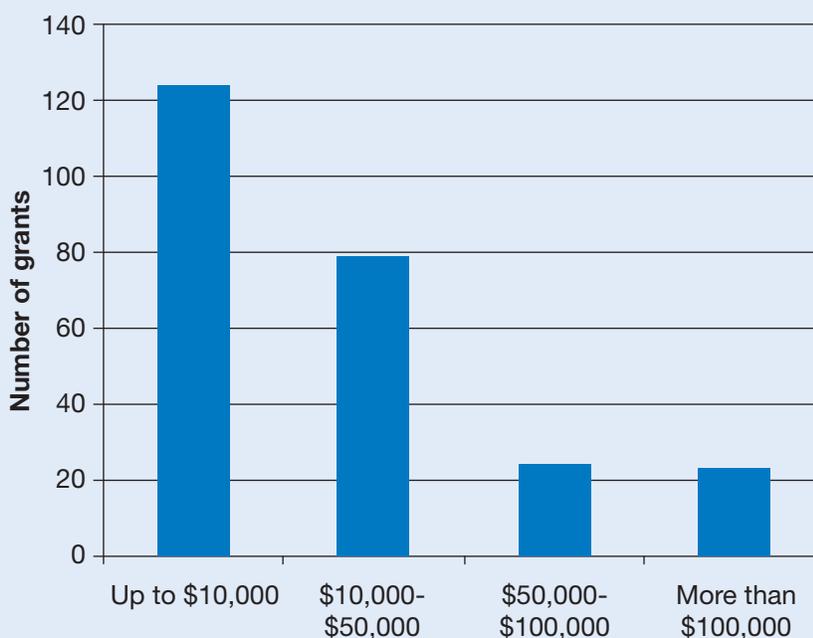
\*One camper for one night

## Grants

- Direct awards in 2009-2010: 250 grants awarded worth \$7.8 million
- Total estimated local economic activity: \$14.4 million generated

**Helping Oregon:** Communities compete for matching grants to fund recreation and heritage programs. Recreation grants are for park improvements (such as \$33,052 to renovate the Tupper ballfield in Ukiah), plus trails, acquisitions, planning, off-highway vehicle recreation and other categories. Heritage grants support historic cemeteries, museums, historic preservation and related projects. More than 160 communities in every county have received grants since 1999.

Grants by amount for 2009-2010



## ATV safety

- Total riders who completed safety training 2009-2010: 101,000
- Riders 15 and younger trained: 31,400

**Certifying riders:** On the heels of a new Oregon law passed to improve all-terrain vehicle rider safety, the department launched a groundbreaking online service in January 2009. The free online course helps riders of all ages—and especially parents and their children—discuss and understand how to ride safely and responsibly on public lands.

# Stewardship

*Healthy natural and cultural resources are the foundation and major component of department services. Two factors—Oregon’s growth and the evolution of the state’s priorities—require constant investment and reinvestment.*

## Parks keeping pace

- Park property newly protected in FY2010: 2,439 acres in five parcels

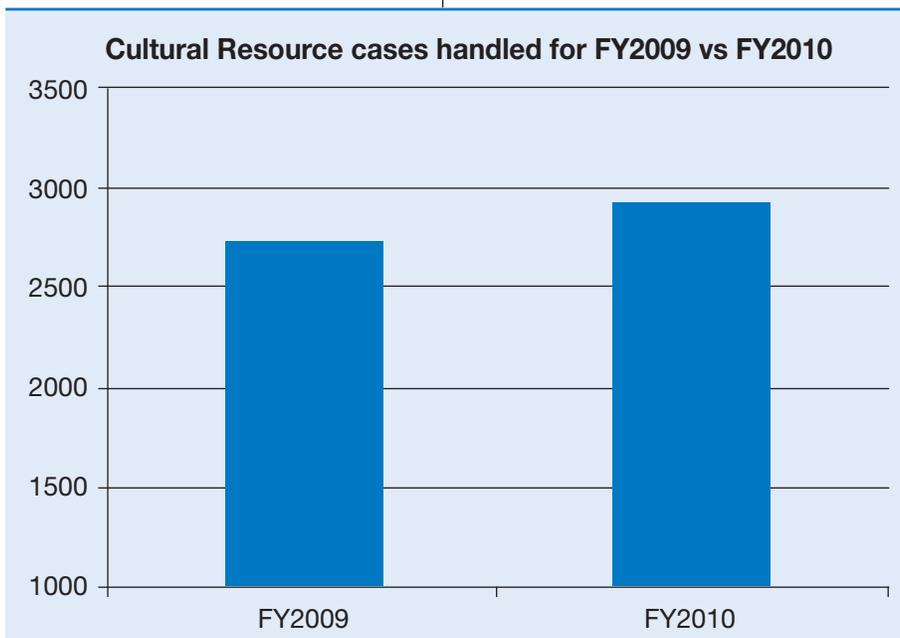
**New capacity:** Oregon’s population increased by 12 percent—more than 400,000 people—from 2000-2009. That’s like adding three good-sized cities—two Eugene and a Gresham—to the state. A surge in demand for recreation (which appears to have spiked as the economy has dipped) added energy to a call from citizens and organizations to protect key natural and historic sites. Using \$2.8 million in dedicated Lottery funds and grants, the department added nearly 2,500 acres to the state park system in 2009, which now stands at 103,000 acres (28<sup>th</sup> in the nation). Most purchases are small, strategic parcels, but one—2,400 acres for Cottonwood Canyon State Park along the John Day River—was the most significant single addition in a generation. It is planned to open in 2013.

## Protecting heritage

- Cultural resource assistance in 2009-2010: 2,921 cases

**Assisting agencies:** The State Historic Preservation Office (SHPO) assists state and federal agencies with meeting their cultural resource obligations set by state and federal law. The intent of these laws is to avoid or minimize damage to important archaeological sites and historic structures affected by publicly funded or government-licensed

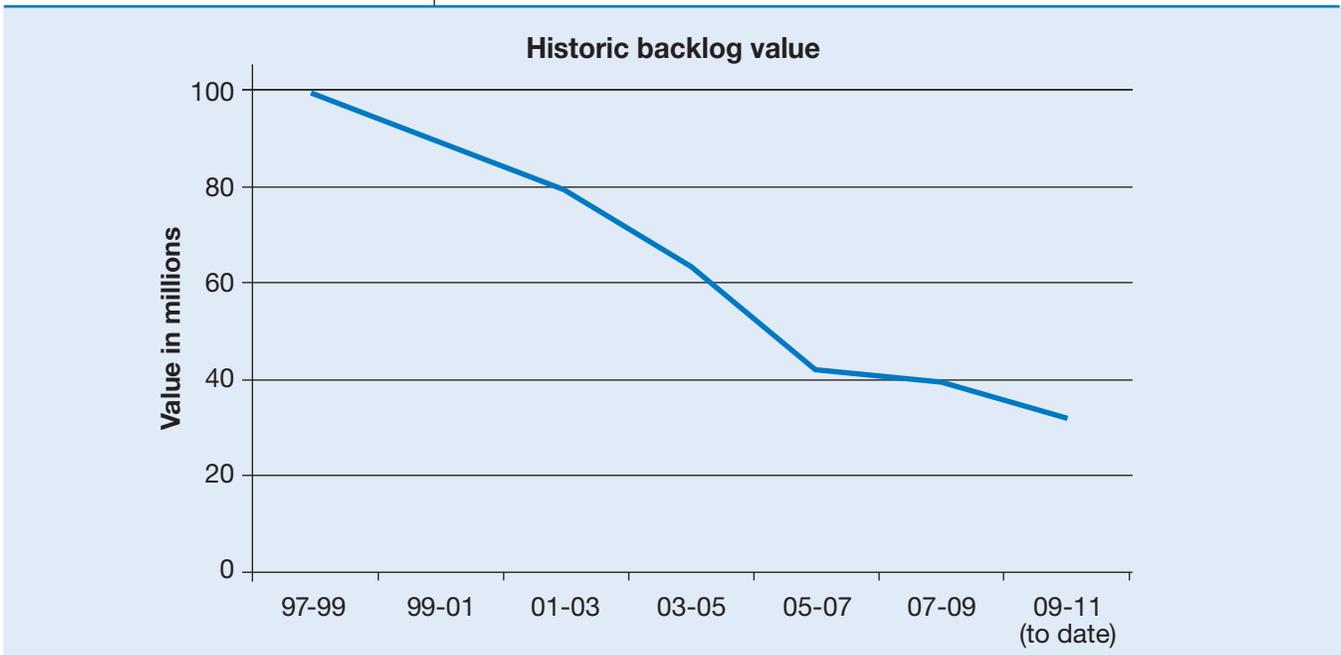
projects (e.g. highways, pipelines, wind farms, etc.). The SHPO maintains a master set of data of known Oregon cultural resources, and provides professional staff to help agencies navigate the legal requirements to minimize both delays and risk to the resources. In FY2010, SHPO staff reviewed approximately 250 cases per month, for a total of 2,921 cases (up 7 percent from FY2009).



## Park repairs

- 2009-11 Repair and improvement budget: \$27.4 million
- Historic backlog from 1999 remaining: \$37 million

**Facility investments:** The largest share of Lottery Funds dedicated to state parks by Oregon voters is invested in undoing decades of underfunded maintenance. What was \$100-plus million worth of backlogged repairs in the late 1990s has been reduced to less than \$37 million now. Facilities and equipment continue to wear out with use, requiring us to work on old problems while we guard against a new backlog of deferred maintenance.



# Systems

*Every government agency, including the Oregon Parks and Recreation Department, is responsible for finding the most cost-effective ways to fulfill its mission. The agency does not measure its success in dollars of profit, but it must manage costs, maintain a highly-skilled workforce and generate revenue to deliver the public services mandated by its mission.*

## Accountability and productivity

- Major assets being tracked: 27,000

**The HUB Project:** In 2007, the department created a computerized clearinghouse to manage information on real estate, facilities, maintenance and contracts. The web-based system was created by department staff and is used statewide to create a smooth flow of requests and approvals for projects, especially for the millions of dollars in yearly park repairs and improvements. The system also assists state park frontline staff with automated reminders for routine facility inspections and repairs, a feature that helps avoid projects piling up. The system currently tracks 27,000 public assets worth more than \$115 million, nearly 2,000 work projects, and has helped staff complete more than 58,000 maintenance tasks on schedule better than 98 percent of the time in FY2010..

Maintenance task track record

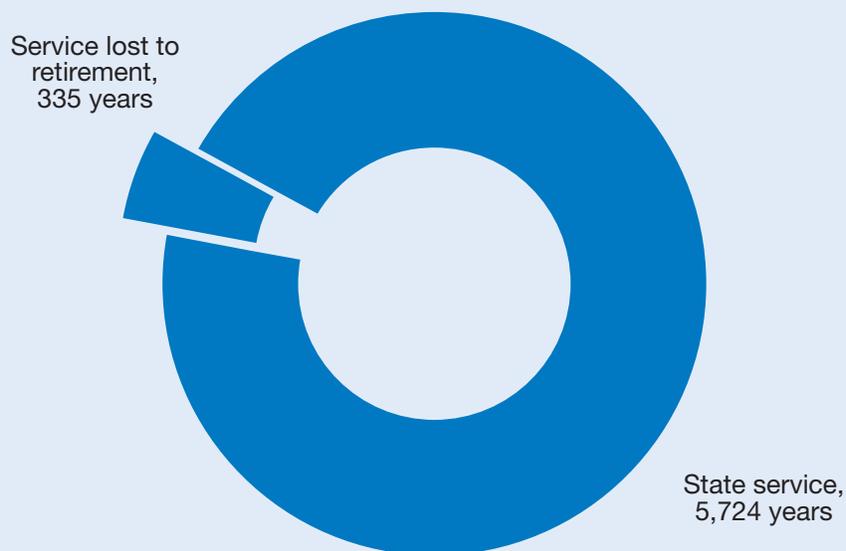


## Personnel management

- Cumulative public service experience: 5,700 years

**Experienced staff:** Stewardship and service are impossible without qualified, motivated employees. The department is authorized to hire 891 people, but because many are employed only part of the year, this is equal to 608 full-time staff. In 2009-10, staff received more than 6,500 hours of formal training—first aid, equipment and systems, customer service, administration and other topics—to do their everyday jobs. Employees collectively bring more than 5,700 years of Oregon public service experience to their work, not counting 12 employees with 335 years of service who retired during this period.

Years of service tallied vs. years lost to retirement.



# Revenue forces

## 1. Economy

Special federal and state stimulus funds funded \$2.5 million in state park improvements during the fiscal year. State park use rose 8-9 percent in 2009 (even as the economy began to show weakness), but as the economic slide worsened, use fell as much as 5 percent in mid-2010. Revenue from RV registration has fallen 14 percent since 2006. Lottery revenue fell 19 percent from the 2007-2009 budget to 2009-2011, and interest revenue fell 64 percent from FY2009 to FY2010.

## 2. Weather

The most dramatic increases and decreases in year-to-year park visits result from the weather. Most state park camping inventory is on the coast, where July-October in FY2010 received 40 percent more rain than in FY2009 and camping fell 6.6 percent.

## 3. Fuel

Fuel prices plunged 60 percent from historic highs in June 2008, but have steadily increased since May 2009, rising 11 percent from June 2009 to July 2010. Volatile fuel prices can initially increase park use by encouraging leisure travel closer to home, but may eventually depress overall park use if continued fuel increases are coupled with long, broad economic stress.

## 4. Fees

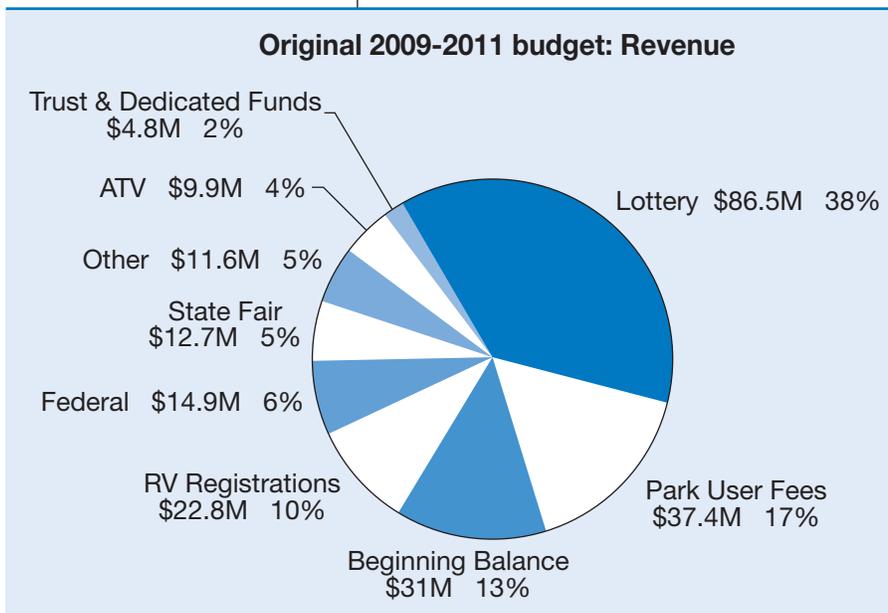
The first increase in park use fees in 13 years took effect between January-May 2010, and was supported by a majority of visitors. FY 2010 park visitor revenue was projected to be \$16.35 million; actual income was \$16.23 million (99 percent of the projection). The timing and amount of total state park visitor fee revenue is not wholly dependent on the recreation market, but must also wait for legislative approval. The gap between when the market can support a given rate, and the date the rate takes effect, represents lost revenue. State park fee waivers mandated by rules and statutes cost \$753,307 in 2009.

## 5. Marketing

A summer promotional campaign in the first half of FY2010 used web-based social media to promote camping at parks with spare overnight capacity. Camping at these parks increased 17.7% percent over the previous year.

## 6. Federal support

Important federal funding for recreation has fallen dramatically. The Land and Water Conservation Fund, used for both community and state outdoor recreation, dropped 72% between 2002 and 2010.



# Expenditure forces

## 1. Inflation

Fuel, utilities, supplies and construction materials rise and fall (but mostly rise). Oregon’s core inflation rate during FY2010 was 2.1 percent, and fuel prices increased 11 percent, but the price of electricity held relatively steady at +1 percent.

## 2. People

Salary and most benefits were frozen in FY2010. Employee mandatory unpaid furloughs totaled 5,244 days freeing up \$885,000, which will be applied to the agency’s ending balance in 2011.

## 3. Innovation and Necessity

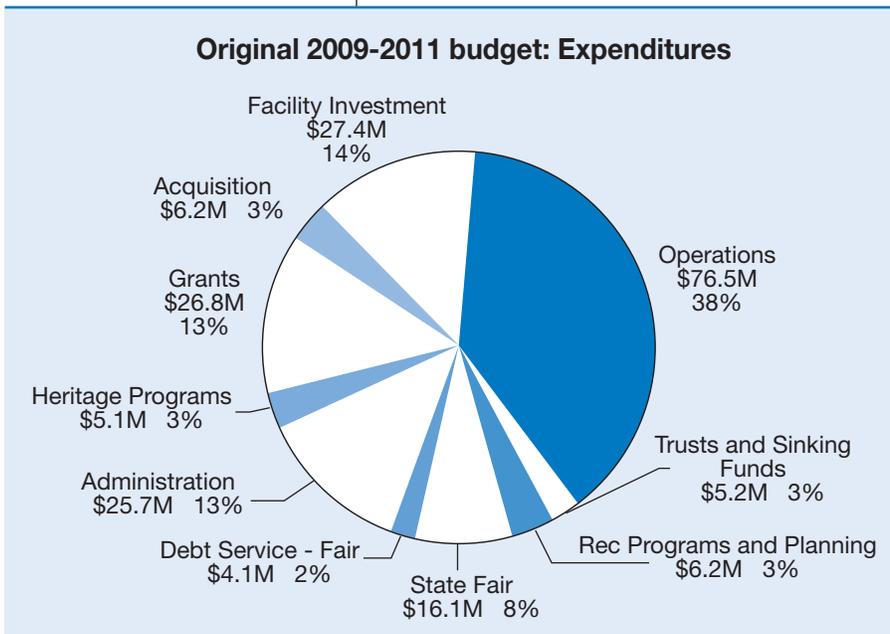
Department leaders solicited ideas from staff to reduce spending before statewide budget reductions hit. The department implemented a 2007-2009 savings plan to reduce spending and carry over \$4.9 million to the 2009-2011 budget, and saved an additional \$836,117 in FY2010. Savings that result from innovation—web-based meetings, increased scanning-and-emailing and less printing—are permanent. Seasonal labor was hired later than usual, and was released sooner, which produced short-term savings. This practice is unsustainable in the long term without compromising customer service, which affects visitor revenue.

## 4. Risk and calamity

- a. Sudden, unexpected events—landslides, floods, fire—cause unexpected spending. Long-term trends caused by changing weather increase the threat. One Columbia River Gorge wildfire, for example, inflicted \$15,000 worth of damage to a state park trail.
- b. Trails, campsites, buildings, signs, sewer, water and electrical systems all wear out. This erosion sometimes results in unexpected failures, increasing short-term spending. There were over 40 incidents of state park vandalism and accidental damage, costing more than \$100,000 in FY2010. A half dozen self-pay stations were damaged in FY2010,

reducing service for law-abiding customers until repairs could be made.

- c. Lawsuits brought by people claiming injury or damage create significant costs, even in those majority of cases where the department is supported by a court’s decision. Recovering court costs is rarely allowed. A 2009 change to state tort liability law is steadily increasing claim limits (from the previous limit of \$500,000 to \$3 million in FY2010), increasing the department’s exposure to claims and loss.



# Fiscal Year Financial Report

(all figures rounded to nearest dollar)		FY2009	FY2010
<b>Revenue</b>	Lottery	\$ 37,664,133	\$ 43,710,458
	Lottery (Debt Service)	\$ 2,068,454	\$ 1,991,836
	Federal	\$ 2,656,221	\$ 3,906,710
	Other		
	Parks User Fees and Business Acct	\$ 13,721,608	\$ 22,225,354
	Expo	\$ 5,275,835	\$ 5,783,240
	RV	\$ 11,125,127	\$ 10,931,074
	Interest	\$ 839,771	\$ 303,328
	All Other - ATV, Rents, Donations, Salmon Plates, Etc.	\$ 15,585,641	\$ 8,125,653
	Other (Capital Construction-Go Oregon Money)*	\$ 869,941	(\$18,330)
	<b>Total Revenue:</b>	<b>\$ 89,806,731</b>	<b>\$ 96,959,322</b>
<b>Expenses</b>	Personal Services	(\$38,871,362)	(\$38,506,305)
	Services and Supplies (including Go Oregon)	(\$27,478,374)	(\$24,181,907)
	Special Payments (Grants)	(\$21,286,159)	(\$9,612,034)
	Capital Assets (including land and Go Oregon)	(\$14,904,735)	(\$9,069,754)
	Insurance Recovery Subsequent to Loss**	\$ 254,299	\$ 15,468
	Debt Service Principal - Bonds	(\$1,439,624)	(\$1,347,729)
	Debt Service Interest Bonds	(\$674,719)	(\$619,397)
	<b>Total Expense:</b>	<b>(\$104,400,675)</b>	<b>(\$83,321,658)</b>
<b>Assets</b>	Cash and Unreconciled Deposits Balance Ending	\$ 40,138,227	\$ 48,037,631
	Cash on Hand - Change Funds	\$ 30,234	\$ 29,567
	Accounts Receivable (short- and long-term)	\$ 13,576,598	\$ 18,922,363
	Capital Assets Less Depreciation	\$ 94,499,634	\$ 115,689,528
	Land	\$ 82,489,272	\$ 83,924,989
	Construction in Progress	\$ 23,772,706	\$ 2,730,300
	Inventories	\$ 99,061	\$ 85,200
	<b>Total Assets</b>	<b>\$ 254,605,733</b>	<b>\$ 269,419,577</b>
<b>Liabilities</b>	Payroll Payable	(\$173,492)	(\$150,074)
	Vacation Payable (Current and Noncurrent)	(\$2,496,755)	(\$2,476,059)
	Claims and Judgment Payable	(\$16,678)	(\$16,678)
	Accounts Payable	(\$801,892)	(\$1,476,352)
	Due to Other Governments	(\$20,062,368)	(\$2,815,788)
	Uncollectables Receivables	(\$62,629)	(\$65,879)
	Deferred Revenue	\$ 609,391	\$ 7,475,258
	Debt Services (Principle and Interest)	(\$15,577,529)	(\$13,543,673)
	<b>Total Liabilities:</b>	<b>(\$38,581,952)</b>	<b>(\$13,069,245)</b>

\* Go Oregon was a state economic stimulus program. Not all Go Oregon money was spent, and was subtracted from FY2010 revenue.

\*\* Some expenses end up being covered by insurance payments, resulting in these amounts being added back in to offset expenses.

# Expectations for 2011 report

## Commission Members

- Expanding our strategic business partnerships to improve operations and profitability at the Oregon Exposition Center.
- Reaching rural communities with scenic bikeways.
- Planning a new state park.
- Helping partners preserve Oregon heritage.
- Protecting natural parks.



*Davis Moriuchi, **Chair**, Congressional District 1, Term ends 2014*  
Bachelor of Arts in History ('73) and Master's in Public Administration ('83). Executive experience with water planning, resource protection and recreation management in both the Missouri River and Columbia River basins with U.S. Army Corps of Engineers.



*Jay Graves, **Vice-Chair**, Congressional District 3, Term ends 2011*  
Founder of Cycle Oregon and owner of The Bike Gallery in Portland. Extensive Oregon and international travel.



*Brad Chalfant, Congressional District 2, Term ends 2012*  
Leads the Deschutes Basin Land Trust. Degrees in Economics and Geography, and law. Active with the Oregon Bar, and an avid backpacker, skier and cyclist.



*Sue Musser, Congressional District 4, Term ends 2012*  
Retired middle school principal from Brookings. An Oregon native and a long-time south coast resident, active in local education and community affairs.



*Jim Brown, Congressional District 5, Term ends 2013*  
Bachelor of Science in Forest Management ('62) and Master's in Forestry ('63). Served as Oregon State Forester for 16 years and as natural resource policy advisory to governor in 2003-2004.



*Sharon Rudi, East of the Cascades, Term ends 2013*  
Career in real estate has provided a substantial understanding of marketing and customer service. Active in other local committees.



*Robin Risley, West of the Coast Range, Term ends 2013*  
Member of the City of Cannon Beach Parks and Community Service Committee, North Coast Nature Conservancy Board and Clatsop County Historical Society. Nearly 20 years of experience in real estate.

**For more information, contact:**

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Phone: 503-551-6949

Mail: OPRD, ATTN: Director, Suite C, 725 Summer St NE, Salem OR 97301

**Learn more online:**

Website: <http://www.oregon.gov/OPRD/>

Statutes: <http://tinyurl.com/oprd-laws>

Administrative Rules: <http://tinyurl.com/oprd-rules>

Constitutionally-dedicated revenue: <http://www.oregon.gov/OPRD/lottery.shtml>

Statewide transparency: <http://www.oregon.gov/transparency/>



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