

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: December 13, 2011 Time: 2:30 PM Length: 60 min.

Presentation Title: Clackamas County Timber Sale, County Park & Forest Portfolio

Department: County Parks and Forest, BCS

Presenters: Gary Barth, Jeroen Kok, Dan Green

ISSUE & BACKGROUND

On October 18, 2011, County Parks & Forest staff met with the Commissioners in a Study Session to discuss the option to pursue certification of the county's forest program. Based on the materials presented to the Board, and a conversation regarding the merits of certification, the Board decided to not pursue forest certification at this time. The Board also directed staff to resume timber sale activities which are critical to the financial support of the county's parks & forest operations.

The current County Forest Management Plan calls for a sustained yield timber program that generates annual income to support County Parks operations and maintenance. Based on the Board's direction, annual timber sales were not proposed during the period in which certification was considered (November 2010 – October 2011). As a result, timber trust fund balances have declined and correspondingly, revenue to the support operations and maintenance has been strained. In the meantime, forestry staff has prepared a timber sale within the Wildcat Mountain holding. Staff will discuss the timber sale process outlined in the Forest Management Plan and will discuss the variables that are typically considered in making a timber sale decision. Staff will also propose that, based on the Board's direction, the Director of BCS be authorized to award the timber sale and execute any and all documents to complete the transaction(s).

In addition to the immediate timber sale question, staff will also outline a broader County Forest portfolio management strategy that could provide a more predictable year-to-year revenue stream for County Parks operations and maintenance. The proposal may include accelerated timber harvests, and will consider additional options to increased revenues to help offset operation, maintenance and capital repair costs. Examples may include: an extended fee collection season, new fees, increased existing fees, increased outside revenue and additional revenue producing amenities.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. Will the Board authorize the Director of Business and Community Services to award the proposed timber sale and execute any and all documents necessary to complete the transaction?
2. Does the Board prefer to review the timber sale bids and provide direction prior to bid award?

- 3. Is the Board interested in a follow-up discussion regarding a broader County Forest portfolio management strategy to maintain balance and diversity in the portfolio and stabilize revenues?

OPTIONS AVAILABLE

- 1. Direct staff to pursue the Thunder & Lightning timber sale.
- 2a. Authorize the Director of Business and Community Services to award the above mentioned timber sale and execute any and all documents necessary to complete timber sale.
- 2b. Direct staff to bring the above mentioned timber sale back to the Board for final award after the appropriate bid process is complete.
- 3a. Direct staff to come back to the Board with a follow-up Study Session to discuss a County Parks & Forest portfolio management strategy to stabilize and increase revenues to help support the long-term operations, maintenance and capital replacement needs of the programs.
- 3b. Direct staff to continue to try to operate, maintain and undertake capital replacement needs within the County's Parks & Forest programs within current levels of revenue.


RECOMMENDATIONS

Staff respectfully recommends Options 1, 2a and 3a. Option 1 could generate approximately \$1,120,000 in revenue. The income would have a stabilizing effect on the County Parks & Forest budget.

Option 2a will reduce the amount of time before a timber sale can become final by almost four weeks, thereby potentially decreasing the amount of time necessary to complete the sale and realize the revenue.

Option 3a will provide the direction staff needs to prepare for a detailed portfolio management strategy that is intended to evaluate options to better stabilize existing revenue, as well as considering additional revenue needed to support operations, maintenance and capital replacements needs within the County's Parks & Forest Programs.

SCHEDULE FOR STUDY SESSION

Division Director/Head Approval 
Department Director/Head Approval 
County Administrator Approval _____