



Meeting Minutes - DRAFT

09/24/2009 - Meeting of the Bond Oversight Committee

Tualatin Hills Park & Recreation District

15707 SW Walker Rd, Beaverton, OR 97006
503/645-6433

The second meeting of the Tualatin Hills Park & Recreation District Bond Oversight Committee was held at the HMT Recreation Complex, Peg Ogilbee Dryland Training Center, 15707 SW Walker Road, Beaverton, on Thursday, September 24, 2009, beginning at 6:00 p.m.

Present:

Committee Members:

Rob Massar
Winslow Brooks
Brett Hayes
Fred Meyer
Barbara Wilson
Dan Plaza
Marc San Soucie
Paul Waldram

Ex-Officio Members:

Hal Bergsma
Keith Hobson
Bob Scott

THPRD Staff:

Doug Menke
Wil Eadie
Bruce Barbarasch
Gery Keck
Steve Gulgren

Absent:

Committee Members:

Ken Boire
Lauren Danahy
Spence Benfield
Deanna Mueller-Crispin

Ex-Officio Members:

None

Agenda Item #1 – Opening Comments & Introductions

- A. General Manager, Doug Menke, called the Meeting to order at 6:00 p.m.
- Chair Marc San Soucie will be leaving at 7:15pm. Bob Scott will take over as chair for the remainder of the meeting.
 - Doug thanked committee members for coming and gave an overview of the evenings session.
 - ***Upon receiving past e-mail invites to Board of Director meetings, Dan Plaza asked if the invitation extended to the executive session as well.***

Doug shared that executive sessions were meant for the Board of Directors and THPRD staff only.

Agenda Item #2 – Approval Minutes of May 7th, 2009

- A. Chairman, Marc San Soucie, moved the Bond Oversight Committee approve consent Agenda item (#2) Minutes of May 7, 2009 Regular Meeting.
- ***Barbara Wilson asked for an amendment to meeting minutes agenda item #5, section E. The minutes quoted Barbara referring to “land acquisition” budgets. Barbara would like her comments to be recorded as specifying “natural resource land acquisition” in the agenda item #5, section E discussion.***

Keith made note to recording secretary Cathi Ellis to make change.

- Dan Plaza and Wink Brooks both second Marc’s motion to approve with Barbara’s revision.
- Approval of meeting minutes was unanimously approved.

Agenda Item #3 – Land Acquisition Update

- A. Director of Planning, Hal Bergsma, reviewed the Bond Land Acquisition Objectives
 - Hal reviewed by quadrant, the types of land Acquisition the Bond hoped to acquire.
- B. Hal presented on the Board of Directors Discussion and Policy Direction.
 - Hal briefly reviewed Memo dated September 17, 2009: Board of Directors’ Guidance Regarding Land Acquisition.
 - **Barbara asked: The district stated in the memo that acquisitions of unconnected natural area’s are not preferable unless their acquisition can be leveraged by other funding sources outside of the bond. Her question is if there is a pre-determined percentage that needs to come from “other funding sources”**
Hal responded that there was no set percentage.
- C. Hal presented on the Land Acquisition Performance Measure Report.
 - Hal briefly reviewed the Park Bond Capital Program (Land Acquisition) Memo dated September 24, 2009.
 - **Fred Meyer asked: If a desired land acquisition site is made up of more than one tax lot/ owner, will THPRD try to negotiate price as a group, or deal individually with each owner?**
Hal answered that each property owner will be approached individually.
 - **Fred asked: If a larger desired location does not have enough willing sellers, would the property still be considered, only as a now smaller parcel of land for those who were open to selling?**
Hal responded that, yes THPRD is flexible to this situation.
 - **Marc asked: What is the timeline for finishing acquisition?**
Hal responded that critical properties are being worked on immediately. Within a year, THPRD hopes to have all “required” property for Bond projects purchased. Other properties will be opportunity driven

Agenda Item #4 – Natural Resource Update

- A. Superintendent of Natural Resources, Bruce Barbarasch, presented on the Natural Resource Schedule Update
 - Bruce gave a brief overview of what the Natural Resource department does and how it will relate to Bond sites/ new acquisitions
 - Bruce reviewed the NR Project Timeline Graph Memo.
 - **Marc asked if any projects have had surprises to the condition of the site, and if that will affect the timeline.**
Bruce stated that the Natural Resource Bond project sites had been previously ranked based on the Board approved NR management plan. This document gave knowledge of the sites and their conditions, and is what helped guide which projects would be funded through the bond. New sites could have potential set backs based on their condition when acquired.
- B. Bruce presented on the Mitigation Consulting Services
- C. Bruce presented on Natural Area Definitions
- D. Bruce presented on Restoration Goals and Standards
- E. Bruce Barbarasch, presented on the Natural Resource Performance Measure Report
 - Bruce briefly reviewed the Park Bond Capital Program (Natural Resources) Memo dated September 24, 2009.

- **Wink asked what the breakdown of the 12 million comparing the percentage to acquisition and the percentage to restoration?**
Bruce shared that approximately 70% of the total will go towards acquisition, and approximately 30% will go towards restoration

Agenda Item #5 – Capital Project Update

- A. Hal presented the Planning & Development Bond Schedule Update
 - Superintendent of Planning & Development, Steve Gulgren, reviewed the Bond Program Project Timeline Memo
 - **Dan asked which of the projects were not yet under consultant yet?**
Steve answered that of the sixteen initial projects, as to date three are not yet under consultant but are in the contract negotiation stage
- B. Director of Business & Facilities, Keith Hobson, presented on the Bond Structural Upgrade Projects
 - Keith reviewed the Board Memo from August 12, 2009 dealing with the approved structural upgrade project list
 - Keith highlighted \$5 million in structural upgrades to all centers but Sunset Swim Center
 - An engineering firm was hired and found \$12 million in total needed structural upgrades. The firm ranked each center to show the level of importance to the upgrades. Board approved the rankings.
 - **Fred Meyer asked about the revenue impact on closing centers to make structural repairs**
Keith answered that revenue impact is inevitable, but staff will work to consolidate closures to minimize them, and neighboring centers will help to hold programs in order to keep specific, specialized classes offered during closures.
 - **Rob Massar asked if there were any sites identified as highest in risk that would not be taken care of in order to stay within the 12 million budget?**
Keith acknowledged that there were some issues that will not be taken care of, like windows, and that they are a liability for damages if there is a seismic event, but none of the facilities will cause catastrophic failures
 - **Barbara asked how THPRD plans to resolve the \$7 million recommended but non-bond funded upgrade projects?**
Keith answered that two of the oldest facilities have hit a critical point; their age is not finically worth putting money into bringing them up to code. The more realistic answer lies in putting the 7 million into remodeling/ tear down to build new as opposed to seismic upgrades.
Doug shared; THPRD knew not all facilities would be upgraded within the \$5 million budget. THPRD will take the upgrades “chunks” at a time. This first \$5 million happens to be through Bond dollars.
 - **Marc asked if the engineers felt there were any life threatening issues that were not going to be addressed with the \$5 million budget?**
Keith and Doug both answered, No.
 - **Fred Meyer asked if the \$5 million budget was pricing at today’s current rates? If it takes four years to finish these upgrades, does the budget acknowledge inflation costs?**
Keith answered that the money was based on today’s construction costs. Coming up later in the meeting, THPRD wants the committee’s input on how to use, for instance interest earnings? Perhaps to cover inflation costs? More on this issue will be brought up later.

- C. Keith presented on the Bond Budget Status and Cost Trends
 - Keith reviewed the Bond Capital Program Budget Comparison Chart dated September 24, 2009
 - **Bob asked why soft costs on trails higher than expected?**
Steve explains that coordination between agencies/ jurisdictions, utilities, easements, permits, etc. tend to be more in soft costs on average. This was not a surprise to us
 - Keith reviewed the Investment Overview Bond Portfolio dated July 31, 2009
- D. Bond Planning Manager, Gery Keck, presented on the Bond Projects Performance Measure Report
 - Gery briefly reviewed the Park Bond Capital Program (Planning Projects) Memo dated September 24, 2009
 - **Dan Plaza took the opportunity to convey how impressed he was in where THPRD is in the process.**
 - **Wink asked if we anticipated any issues with construction, and if staff planned to hire outside management help to deal with the bigger Bond projects?**
Gery shared that a construction management team may be brought on for projects over \$1 million

Agenda Item #6 – Bond Program Communication Update

- A. Director of Communications, Bob Wayt, presented on the THPRD Bond Web-Site
 - Bob reviewed three examples of Bond web pages pertaining to Bond projects
 - **Bob Scott asked if meeting minutes from the Bond Oversight Committee were going to be placed on the Bond project website?**
Chair Marc San Soucie put it to a group vote. All were in favor of meeting minutes being posted.
 - Bob Wayt shared that the Bond Oversight Committee would have it's own link on the Bond webpage, and that more information about it will come at the next meeting.
 - **Bob Scott asked if staff was tracking the amount of hits coming into the Bond page of THPRD's website?**
Keith Hobson shared that yes, those numbers are all being tracked by the IT department.

Agenda Item #7 – Policy Issues

- A. Keith presented the discussion of Bond Program Policy Questions.
 - Doug gave an intro into the seven policy questions THPRD staff wants the committee's input on.
 - Keith reviewed the Policy Alternatives Evaluation Tables Memo and why staff structured the options in the table format, and made sure all committee members verbally acknowledged they understood before beginning each issue.
 - **Policy #1: How should interest earnings on Bond Fund investments be utilized?**
 - **Dan motioned to go with Alternate #1.**
 - **Barbara motioned to go with Alternate #2.**
 - **Majority ruled on Alternate #2: Add to budgets annually to offset inflation.**
- * Chair Marc San Soucie left the meeting. Bob Scott took over as chair for all further discussions.
 - **Policy #2: How should project costs in excess of project budgets be handled?**
 - **Barbara motioned to go with Alternate #2.**
 - **Majority ruled on Alternate #2: Cover with savings from another project in the same category.**

- **Policy #3:** When should project contingency funds be used to cover the cost of projects?
- *Dan asked for clarification on Alternate #2: Release proportionally based on status of project.*
 - Doug and Keith both clarified*
- *Bob motioned to go with Alternate #2.*
- *Majority ruled on Alternate #2: Release proportionally based on status of project.*
- **Policy #4:** When, if ever, can funds be used to cover a cost overage in a different project category?
- *Brett motioned for Alternate #3.*
- *Barbara motioned for Alternate #2 based on the grounds of its level of conservancy.*
- *Fred Meyer asked to review the schedules, after the group doing so it was recommended to change the wording in Alternate #3 to reflect, “bids” as opposed to the original “engineer estimate”.*
- *Majority ruled on Alternate #3: After projects costs in a given category, based on bids, are fully covered.*

B. Hal Bergsma presented the discussion of Bond Program Policy Questions pertaining to Land Acquisition

- **Policy #5:** What process is required for valuing buildable land?
- *Dan asked for clarification of Alternate #3 of “other appraisal with Review”*
 - Hal and Wil Eadie (the District’s bond program land acquisition specialist) shared that if the District did not officially do an appraisal because a potential seller already had one done for a property, it would need to be reviewed by a reputable firm within the appraisal business to verify that all industry standards were followed, and that the appraisal would stand up to the current market. In this situation it would not only save the District from paying for another appraisal, but would also help to show good faith in working with the seller as long as the review was fair.*
- *Bob motioned for Alternate #3*
- *Majority ruled on Alternate #3: Single District Contract Appraisal or other appraisal with Review.*
- **Policy #6:** What process is required for valuing non-buildable land?
- *Bob asked Hal to give a further explanation of option #3*
 - Hal and Wil answered that the standard per acre of non-buildable land is a set number that could be obtained without ordering an appraisal based on previous sales of comparable sites within a jurisdiction. If a non-buildable property is in excess of this standard, an appraisal could be ordered to determine why. Anything over \$100k is a large enough expenditure of money that the District would want an appraisal to verify it’s worth.*
- *Majority ruled on Alternate #3: Appraisal only on acquisition in excess of \$100k or price in excess of standard per acre*
- **Policy #7:** Should the District pay more than appraised value for land?
- *Wink wanted to discuss a hybrid option of alternate #3 and alternate #4*
- *Rob answered that leaning towards alternate #4 would be the easiest to explain to the public as both on-lookers and also to potential sellers.*
- *Both Fred and Bob echoed this option*
- *Bob asked for and received a consensus for Alternate #4: Pay more than appraised value if the Board adopts written findings explaining how the site has unique attributes of benefit to the District.*

Agenda Item #8 – Committee Communications

- A. Bob began discussion of a Bond Oversight Committee dedicated Web-Site
 - Doug asked the committee for direction on information to provide for the Bond Oversight Committee web page.
- B. Bob began discussion on how the Bond Oversight Committee would report to the Board of Directors.
 - Keith gave clarification that the Oversight Committee would be asked to report in person to the THPRD Board of Directors once a year to give an update.
- C. Bob asked members when the next meeting should be scheduled?
 - Doug thought six months would allow a substantial amount of time for projects to begin, and therefore be a good time to check in with the committee for updates.
 - ***Wink motioned for a late March / April date to avoid Spring Break conflicts.***
 - ***Majority ruled in favor.***
 - Doug stated that Jessica Collins would be in e-mail contact to set up the next meeting in late March, early April.*

Agenda Item – Other

Bob opened the floor for any other questions or concerns.

- Hal shared that Mitigation findings would be coming out before the group meets again.
- Bob Scott thanked members on behalf of the Board of Directors for taking the time to participate in the committee.

Agenda Item #9 - Adjourn

- A. There being no further business; the meeting was adjourned at 8:50 p.m.