



Meeting Minutes - DRAFT

04/29/2010 - Meeting of the Bond Oversight Committee

Tualatin Hills Park & Recreation District

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

The third 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, April 29, 2010, beginning at 6:00 p.m.

Present:

Committee Members:

Marc San Soucie, Chair
Anthony Mills
Wendy Kroger
Fred Meyer
Barbara Wilson
Jack Platten
Stephen Pearson
Rob Massar

Ex-Officio Members:

Bob Scott
Keith Hobson
Hal Bergsma

THPRD Staff:

Doug Menke
Wil Eadie
Bruce Barbarasch
Gery Keck
Steve Gulgren
Bob Wayt
Dave Chrisman

Absent:

Committee Members:

Deanna Mueller-Crispin
Dan Plaza
Wink Brooks
Paul Waldram

Ex-Officio Members:

None

Agenda Item #1 – Opening Comments

- A. Chair, Marc San Soucie, called the meeting to order at 6:00 p.m., thanked committee members for coming and gave an overview of the evening's session.

Agenda Item #2 – Self-Introductions

- A. Chair, Marc San Soucie, asked members to introduce themselves and their background as it pertains to the Bond Oversight Committee/Park District.

- **Fred Meyer:** Corporate Transportation; current member of THPRD Budget and SDC Task Force Committees
- **Marc San Soucie:** Beaverton City Council Member
- **Barbara Wilson:** Community Activist/Conservationist; Past member THPRD Board of Directors
- **Wendy Kroger:** THPRD Trails Advisory Committee Member
- **Stephen Pearson:** Portland Park & Recreation Capital Budget Member
- **Jack Platten:** Former Beaverton Planning Commissioner; attorney
- **Anthony Mills:** Associate Director, Tualatin Soil & Water Conservation District

Agenda Item #3 – Approval Minutes of September 24, 2009

- A. Chair, Marc San Soucie, moved the Bond Oversight Committee approve Consent Agenda item #3, Minutes of September 24, 2009 Regular Meeting.
- *New committee member Wendy Kroger chose to abstain, as did Jack Platten, Anthony Mills and Stephen Pearson, as they did not attend the previous meeting.*
 - Fred Meyer and Barbara Wilson both seconded Marc’s motion to approve.
 - *Wendy Kroger asked to receive packets from past committee meetings and also asked to be caught up on mitigation strategies the District has adopted for the Bond projects.*
Hal Bergsma, Director of Planning, shared that mitigation findings will be brought up in agenda item #5.
Keith Hobson, Director of Business and Facilities, assured Wendy, and all new committee members that past information shared with the Bond Oversight Committee would be made available to the new members.
 - *Marc opened a discussion based on member Barbara Wilson’s request to re-visit the type of voting options the committee uses to make decisions.*
 - *Barbara would like to revert to a “yes” / “no” vote from each person as apposed to the majority consensus voting currently used.*
 - *Marc reaffirmed that the previous members on the Bond Oversight Committee agreed that decisions would be a majority consensus, unless there is an obvious division of ideas. If this is the case, each member would be asked to give a yes / no specific vote in order to reach a resolution.*
 - *Jack Platten and Wendy Kroger, both new, gave support to keep voting this way. Marc assured Barbara that meeting minutes would reflect any voice that was against the final ruling that came out of a consensus.*
 - *Barbara felt as long as there is a record of potential disagreement documented, she was ok.*
 - *Jack shared his experience serving on other committees who voted this way, and confirmed its practicality and accuracy.*
 - *Marc reiterated for the meeting minutes that all decisions coming out of the committee would continue to be voted on as previously established (i.e.: consensus voting).*

Agenda Item #4 – Review of Previous Policy Decisions

- A. Keith Hobson asked the committee if it would like to review the final decisions made on each of the seven policies voted on last meeting.
- *Marc replied yes, since there were new members in attendance.*
- B. Cash Flow Policies:
1. How should interest earnings on Bond Fund investments be utilized?
Committee Recommendation:
Accumulated interest earnings should be allocated to project budgets each year in the annual budget process based on the remaining budgeted cost of each project. The intent is to use these interest earnings to mitigate the impact of inflation on project costs paid in future years.
- Budget Policies:
2. How should project costs in excess of project budgets be handled?
Committee Recommendation:
Budget shortfalls on a given project can be covered with savings from another project within the same bond project category.
 3. When should project contingency funds be used to cover the cost of projects?
Committee Recommendation:

Contingency funds can be released for expenditure proportionally based on the status of the project. Staff will use prior experience to establish project milestones (i.e. completion of master plan, final design and land use approval, award of construction bid) and the prudent level of contingency to retain at each of these milestones. Release of contingency does not automatically assign funds for expenditure, but merely makes them available if needed.

4. When, if ever, can funds be used to cover a cost overage in a different project category?

Committee Recommendation:

Funds can be moved from a given bond category to cover a shortfall in another category so long as it does not negatively impact the projects in the category from which the funding is being transferred. To ensure this, safeguard funds can only be transferred from a category if there are assured savings on the projects in that category. Assured will mean that savings are based on awarded construction bids or acquisitions with a signed purchase and sale agreement.

- **Marc asked if assured saving is needed for each project or an entire category.**

Keith shared that savings was needed for the entire category

▪ **Land Acquisition Policies:**

5. What process is required for valuing buildable land?

Committee Recommendation:

An appraisal must be done for the District or for the property owner by an independent certified appraiser consistent with industry and District standards. The District must then have an independent review done by a certified appraiser.

6. What process is required for valuing non-buildable land?

Committee Recommendation:

An appraisal and review must be done only if an acquisition exceeds \$100,000 in value or the cost/acre is higher than the standard price previously paid by the District for non-buildable land or higher than the market value for similar non-buildable land as determined by previous appraisals commissioned by the District.

- **Jack Platten wanted clarification of what non-buildable means.**

Hal Bergsma, Director of Planning, shared that non-buildable meant due to site restraints, no active recreation (i.e. Sports fields, rec/aquatic centers, skate parks, etc...) could be built. It does not pertain to passive recreation (i.e. Trails, natural area's, mitigation sites etc...)

- **Marc asked that the committee be informed if the District becomes close to purchasing a piece of property that meets this criteria.**

Hal assured the committee yes.

7. Should the District pay more than appraised value for land?

Committee Recommendation:

The Board of Directors (BOD) may choose to pay more than appraised value if they adopt written findings explaining how the site has unique attributes of benefit to the District.

- **Marc asked if there were any further questions on the seven policies.**

- **Barbara has a question on Land Acquisition, but will wait till she receives information from Agenda Item #5.**

Agenda Item #5 – Land Acquisition Update

- A. Director of Planning, Hal Bergsma, reviewed the Bond Land Acquisition Objectives.

- Hal reminds the committee of the charge THPRD has per quadrant in land acquisition. Sites need to be acquired in the NE quadrant for a community park, in the SW quadrant for a future Recreation/Aquatic Center, six neighborhood park locations (with at least one located in each of the four quadrants) and multiple Natural Area and Trail sites.
 - **Marc asked why the chart for the Bond Natural Resource Project Measure Report reflected \$12 million for Natural Areas, and the Bond Land Acquisition Report for Natural Areas only reflected \$8.4 million.**

Hal shared that the Natural Resource Measure Report chart was for all NR projects, and of that \$12 million, \$8.4 million of it will be specifically for land acquisition. The remaining \$3.6 million is for funding to restore and enhance pre-existing sites.
- Hal introduced Wil Eadie, THPRD's Land Acquisition Specialist, and gave his work background as well as the background for Melanie Moon who was not at the meeting, but is also helping with acquisitions.
- Wil shared a brief overview from beginning to end of the structure he follows for land acquisition.
- Wil shared that his first step in land acquisition, and the phase he has spent the most time with has been to identify what areas in the District are open to purchase. After prioritizing this inventory, a list was created of where to target first.

B. Wil and Hal reviewed the Performance Measure Report.

- 34 different properties are in "active" negotiations. They have all been brought before the BOD.
 - **Bob Scott, THPRD Board member, shared that the priority of the 34 properties is constantly changing due to the willingness and availability of the sellers.**
 - **Fred asked when the public would be notified once a property is purchased.**

Hal responded that Bob Wayt and the Communications Department would send out a press release and it would also be advertised on the THPRD website.
 - **Marc wanted to know if staff attempted to make progress on all fronts at once, or if specific quadrants/areas were targeted first, and is there any competition with Metro for open land?**

Wil answered that sites with larger acreage needed, like the SW quadrant site for a future recreation center was being targeted first since options for that type of land are limited. Overall, most sites are opportunity driven. THPRD had to act upon what the current market has to offer.

Wil also shared that Metro targets land that is outside of THPRD's boundaries. Metro and THPRD have a good working relationship and have shared mitigation sites and even co-run sites like Cooper Mountain.

C. Hal reviewed the mitigation strategy established for THPRD.

- The two most viable options available are to either find our own acreage within the District, in which case the land would then remain a Natural Area or to buy into a mitigation bank.
 - **Barbara asked for more clarification on how a mitigation bank worked**

Bruce Barbarasch explained that mitigation banks were areas of land that THPRD could buy credits out of to satisfy mitigation land needed on projects.
 - **Barbara asked whether this meant THPRD would own the land?**

Hal shared that this option has recently come to the table, and that THPRD is still researching the pros and cons. THPRD would not own the land if we bought credits in a mitigation bank, but it would meet the requirements needed to get projects going.
 - **Wendy expressed concern about the possible failure of the land in the mitigation banks. What would happen if they were not run up to standards several years from now?**

Doug and Bruce assured Wendy that the banks are very highly regulated by the Division of State Land & Army Corp of Engineers. The failure would be corrected by the owners of the mitigation bank, and not a worry of those who purchased credits out of it. At this time THPRD is only looking into these banks as an option if we can't find a site of our own.

Wil echoed that THPRD's ideal situation is to find a Natural Area site we would purchase and mitigate ourselves.

- ***Barbara expressed concern about THPRD's possible future development of large Natural Areas, and how land that has been mitigated would be affected if THPRD did this.***
- ***Jack Platten assured her that if land was THPRD owned and used as mitigation sites, we could never build or develop it.***
- ***Barbara called the discussion back to policy #7. What definition of "unique attributes" will qualify the District to pay more than the appraised value of a home? She believes this should be amended and become more specific.***

Wil answered that unique attributes would not only include any physical features of the property, but also include economic aspects of the sale.

- ***Fred felt that being too descriptive in the definition of "unique attributes" would potentially tie THPRD's hands.***

Doug and Wil both agreed with this reasoning.

- ***Marc stated that leaving the verbiage as "unique attributes" gives the BOD room to act on policies and negotiate with sellers from a wide range of perspectives.***
- ***Bob Scott agreed as a THPRD Board of Director.***

Wil shared that this was the same verbiage used for land acquisition in Metro's successful Bond.

- ***Barbara expressed concern that land acquisition has been moving slowly since the beginning of the Bond program, and that the ability for THPRD to offer more money to land owners might speed the process up.***

Wil cautioned Barbara that although it seems slow the pace THPRD is moving at is comparable to industry standard, and that in fact we are actually doing very well with our timeframe.

Doug also reminded the committee that THPRD has very specific types of land we promised to Bond voters that we would acquire. THPRD needs to be sure it doesn't run out of money before purchasing all the land we need because of a lack of patience.

- ***Marc asked the committee to table all land acquisition questions until the end of the meeting, and to move onto the next agenda item in order to keep the meeting on schedule.***

Agenda Item #6 – Natural Resource Update

- A. Superintendent of Natural Resources & Trails Management, Bruce Barbarasch, reviewed the Bond Natural Resource Objectives.
 - Bruce gave a brief overview of what the Natural Resource Department does and how it will relate to Bond sites/new acquisitions for the new committee members.
- B. Bruce reviewed the NR Performance Measure Report.
- C. Bruce reviewed the NR Project Timeline Graph Memo. He shared that once planning went into each project, timelines changed slightly to accommodate for seasonal delays, planting cycles etc...
 - ***Wendy asked if 'revised' dates could be put on the timelines and if it was possible to show on one timeline chart the changes for each project that incurs a delay.***
 - ***Anthony asked if contractors or THPRD employee's were doing the planting phase of the work within the natural areas.***

Bruce shared that most of the physical work would be contracted out.

- ***Stephen asked if THPRD's Natural Resources Department has the manpower to complete all the projects.***
Bruce said yes they do for the planning stages, and with the help of hiring contractors to do the plantings, they are confident in the department's ability to maintain all projects once they are completed.
- ***Anthony asked if the economy has helped lower the price for contractors.***
Bruce said that the prices have not come down, but the availability of reputable companies within our price range has improved.

Agenda Item #7 – Capital Project Update

- A. Superintendent of Planning & Development, Steve Gulgren, reviewed the Bond Objectives.
 - Steve gave a brief overview of each project category within the Bond that Planning & Development is currently working on.
- B. Steve reviewed the Measure Report and Bond project timelines.
 - Keith added that the report is cumulative to date, not a reflection of what has happened since the last Oversight meeting.
 - Due to some projects encountering delays in the planning process, six parks are being moved forward from their previously projected start dates. The schedule is remaining flexible as to not waste any time when problems are encountered along the way.
 - All trails in the Bond were started in the first wave of projects due to the length of time they naturally take.
 - Two of the four listed facility improvement projects are ahead of schedule.
 - The playground equipment replacement projects that are complete to date have accrued savings. The structure set in place to keep savings within categories to help with other projects' potential overages is working out very well.
- C. Superintendent of Maintenance Operations, Dave Chrisman, went over the deferred maintenance Bond project timelines.
 - Installing play equipment
 - Pathway paving improvements
 - Six bridge replacements
 - Pervious parking lot paving of Aloha Swim Center
 - Athletic Center HVAC replacement
 - Roxbury Park irrigation system
 - Sunset tunnel repair
 - Buildings that need seismic upgrades and are also slated for Bond funded improvements are being coordinated to match construction schedules as to cause the least impact on each center.
 - Some Bond funded project sites are also due for regular maintenance. These project scopes are being expanded and are being supplemented with THPRD capital improvement funds to get a better economy of scale.
 - ***Jack commented that the building and maintenance projects seem more straightforward than land acquisition. He asked if they have gone to the City of Beaverton planning commission?***
Hal replied that the first set of projects are set to go within the next couple of weeks. THPRD will keep the committee posted.

Agenda Item #8 – Budget Status and Cost Trends

- A. Director of Business and Facilities, Keith Hobson, reviewed the Budget Comparison Worksheet and the two graphic handouts, Estimated to Actual Cash Flow Comparison and the 2009 GO Bond Proceed charts.

- Keith shared that if a project incurs costs that cannot be covered by its contingency, it will be brought to the committee for direction before being brought to the BOD.
- **Marc asked for an explanation of Arbitrage Yield - Benchmark in the 2009 GO Bond Proceeds chart.**
Keith answered that the percentage 4.12% was what THPRD is paying on the Bond.
- **Jack asked what the Bond ratings were?**
Keith replied that we were given an AA credit rating, which is very good.
- **Barbara wanted to know how much interest had been earned?**
Keith replied approximately \$500,000.
- **Jack asked when THPRD's fiscal year ended?**
Keith replied June 30, 2010.

Agenda Item #9 – Communications Update

- A. Director of Communications, Bob Wayt, reviewed the Bond communications update.
- 40 signs about Bond projects are currently in the community at different sites.
 - Signs posted at facilities are less detailed, but fact sheets are advertised as being available inside the facility if more information is wanted.
 - Informational mailers about each project are sent out to all residents within a mile of the project site once it is complete.
 - The Bond Oversight Committee has a specific web page on THPRD's website.
 - Presentations to selected community groups about the Bond project achievements to date will be conducted this fall 2010.
 - **Marc asked where the funding for outreach came from.**
Keith answered that each project has a built in budget for community outreach specific to that project. All mailers and signs etc. are taken from that portion of the project's budget.
 - **Jack asked how e-mails that are addressed to the Bond Oversight Committee specifically from the Bond Oversight Committee web page are directed to members.**
Bob shared that Jessica Collins, Executive Assistant, forwards them to Doug who then forwards them to Marc San Soucie, Committee Chair.
 - **Wendy asked if we have an estimated percentage for how much of the community uses the District's website to obtain information.**
*Bob answered that polls have been taken, and 85% of patrons wanting info about the District are obtaining it either partly or wholly through our website.
Doug also shared that THPRD has been tracking the length of time patrons have been on each individual project page. The time is around 3-4 minutes per hit, which is a very good number.*

Agenda Item #10 – First Annual Committee Report Preparation

- A. Bond Oversight Committee Chair, Marc San Soucie, reviewed the memo to the Committee dated April 21, 2010.
- **Marc asked Doug about the flexibility the District could give for the original due date of June 11, 2010.**
Doug responded that the June 11 date would guarantee it would go in front of the BOD during their June 21, 2010 meeting. They are not meeting in July, and the next available time to present wouldn't be until August. Doug felt it would be acceptable to wait till then if that's what worked out best for the Bond Oversight Committee.
 - **Jack wanted clarification for the formatting of the report. Will it be drafted to the BOD directly, or to the public (like Metro's example) and then brought to the BOD to review?**

- **Marc opened this question to Bob Scott, the ex-officio member of the BOD on the Committee.**
 - Bob said he could only speak individually as the Board has not discussed this, but he likes following Metro's example.*
 - Doug added that staff likes Metro's format, with perhaps an opportunity to get deeper into topics orally at the presentation to the BOD.*
- **Jack cautioned that Metro's format seemed to focus on accomplishments only, and that if criticisms exists and needed to be addressed, orally may not be the best form alone to have them recorded.**
- **Marc agreed with this observation, but felt that for this first report the Committee would do well to follow Metro's format. If down the road issues need to be addressed, the sub-committee's reports could get into finer detail and reasoning.**
- Marc then steered the committee into a discussion about what to include in the report after only three meetings, most of which was front end reporting due to projects just recently getting underway enough to report on.
 - **Wendy felt that the seismic safeguards and prioritizations of projects should be reported on.**
 - **Jack suggested that all policies voted and decided on should also be included.**
 - **Stephen added that the cash flow and financial handling of the Bond itself needs to be highlighted.**
- Marc then opened the floor for volunteers to sit on the Bond Oversight Sub-Committee.
 - **Wendy volunteered.**
 - **Barbara volunteered.**
 - **Marc volunteered as his time permits.**
- Marc asked all committee members to send him an e-mail with comments and highlights of what they thought the sub-committee should include in its report.
 - Doug volunteered THPRD's Communications Department to help with the layout of the memo.*
 - **Anthony wanted to make sure the report is on information generated by the Bond Oversight Committee itself. He cautioned that most information the Committee is given, is also already given to the BOD's. We need to make sure the report is not being redundant.**
 - **Marc asked Doug if the sub-committee could be in contact with THPRD staff for questions and clarifications as the report is drafted.**
 - Doug confirmed this.*
 - **Wendy wants to be sure the report includes pictures.**
 - **Jack requested that all information and pictures are gathered be posted on the Bond Oversight Committee specific web page when finished.**
 - Doug offered that THPRD could send the report out through its newsletter once it is presented to the BOD.*
 - Bob Wayt added that the THPRD newsletter is currently reaching 8,000 District patrons.*
- Marc recognized that this first report will deal with mostly pre-planning/policy based information because that is what THPRD staff has been working on to start the Bond out. However, as the committee is given more detailed and focused news on Bond progress, how much deeper does the committee want future reports to be? Should the committee talk now about forming sub-committees in order to 'drill down' into more specific topics as they arise?
 - **Fred reminded new members that in the first meeting of the Bond Oversight Committee, the group talked about whether or not it was their charge to take a close look approach to what is happening within the Bond, or to concentrate on the bigger picture. The group decided to stay at a "1,000ft" view and not to become involved, for instance, in individual**

projects but in each category. If the committee was going to change that stance, he recommended meeting more frequently than twice a year.

Hal re-iterated to the group that packets with detailed Bond reporting from THPRD staff goes out to the Board monthly, and that this information is made available to committee members as well though e-mail.

- *Marc suggested meeting quarterly, and to amend this number depending on the quantity of info the committee received by meeting this often.*

Doug felt this would work for THPRD staff, but cautioned that the summer months can sometimes be hard to coordinate due to vacation schedules.

- *Stephen asked the sub-committee if they felt comfortable getting the first report out by the summer, and would that prompt another meeting for the entire Bond Oversight Committee in order to review the report before it went to the BOD?*

- *Both Marc and Jack echoed that keeping that timeframe would be challenging.*

Doug and Bob Scott both felt pushing the Bond Oversight Committee report out from June to either August or September would be acceptable to the BOD.

- *Stephen offered to serve on the sub-committee to prepare the report since his schedule allows him more time to participate in the early summer than it did in late spring.*

- *Wendy suggested that the committee should meet three times a year, taking the summer months off. (Excluding this summer in order to get the report done.)*

- *Fred seconded this suggestion.*

- *Marc approved the schedule, but that it would remain open and flexible to the committee's needs. The sub-committee will meet on their own, with the entire Bond Oversight Committee meeting in July to finalize the first progress report to the BOD. The committee will present the report to the BOD at either their August or September meeting. The exact month will be decided in July.*

Agenda Item – Other

A. Marc opened the floor for any other questions or concerns.

- *Barbara voiced concern again pertaining to land acquisition. Her fear is the longer THPRD waits to close on properties, the fewer options will be available to purchase.*
- *Jack understood this apprehension, but felt that with the current economy THPRD will actually have better prospects.*
- *Anthony and Stephen both expressed that land acquisition was moving at a very good pace when compared to what research and negotiation is needed before the actual purchase.*
- *Marc suggested that Barbara contact him via phone or e-mail, and that this item could be discussed at the next meeting when more progress details are available.*

Agenda Item #11 - Adjourn

A. There being no further Agenda Items, the meeting was adjourned at 8:20pm.