Meeting Minutes

01/12/2011 - Meeting of the Bond Oversight Sub-Committee

Tualatin Hills Park & Recreation District
15707 SW Walker Rd, Beaverton, OR 97006
503/645-6433

The first meeting of the Tualatin Hills Park & Recreation District Bond Oversight Sub-Committee was held at the HMT Recreation Complex, Peg Ogilbee Dryland Training Center, 15707 SW Walker Road, Beaverton, on Wednesday, January 12, 2010, beginning at 6:00 p.m.

Present:

Sub-Committee Members:	Ex-Officio Members:	THPRD Staff:
Jack Platten	Hal Bergsma	Cathy Brucker
Paul Waldram	Keith Hobson	Steve Gulgren
Wendy Kroger		Bruce Barbarasch
Barbara Wilson		Nicole Paulsen
Deanna Mueller-Crispin		Katherine Stokke
Marc San Soucie		
Wink Brooks		

Absent:

Committee Members:	Ex-Officio Members:
None	None

Agenda Item #1 – Opening Comments

- Chair, Marc San Soucie, called the meeting to order at 6:10 pm.
- Marc gave an overview of the purpose of the sub-committee and goals
  - *The idea of this meeting is to brainstorm how information can be used more efficiently while reducing the amount of work THPRD staff is inputting. Marc posed two questions: How can we come up with a different set of performance measures to better articulate, in future reports and publications, how we are doing? From a progress information standpoint, what do we really need to know on a quarter-to-quarter basis in order keep track of what is going on, offer ideas/suggestions, policy thoughts and to produce the next annual report? Staff reports, produced for this committee, seem to be way more detailed than needed and at times these detailed reports seem to require extra staff time. There seem to be two broad categories of reporting activity that the Committee reports on: 1-Make sure the projects listed on the graphic timeline chart are being accomplished according to intent, coming on/near/under budget and are being done under the manner that is consistent when the project was first laid out. 2- land acquisition reporting, which behaves differently due to it having not having a defined set of projects rather it has a defined set of categories. Control over projects is much different than control over land acquisition.*
- Marc brainstormed a list of ways for staff to inform/report information to the Committee regarding land acquisition, which will be addressed, if time permits.

Agenda Item #2 – Discussion of internal report formats & content

- Chairman, Marc San Soucie, asked Wendy Kroger, who dove into the Committee report in enormous detail, to offer first her outlook on the reports
  - ***Wendy would like to be able to look at a milestone report, per project, on a quarterly basis. This would allow the Committee to see if a project is off schedule or over budget. Wendy really enjoys the timelines; it is a graphically visual report that is easy to read. Wendy would also like to make sure that the financial and project reports dovetail.***
  - ***Keith Hobson then gave an overview of the two databases that are responsible for the reports that have been provided to the Committee. He informed the Committee that there is a financial accounting system tracking the expenditure activity on each project. Keith explained that financial reports are done on an annual basis and can make it difficult to capture an accurate snapshot on capital projects. The other resource database is Microsoft Project, a project management software that tracks schedule, resources and dollars. When the Bond Measure first passed, the consultant took the package of Planning and Development projects and turned it into a capital program showing schedule, resource expectations and staffing issues. Staff is looking into whether or not this program can show more "real time" detail for scheduling and costs. One struggle is trying to decide whether the baseline is the previously updated schedule or the original project schedule done in January 2009. If the baseline continues to be the previously updated schedule than the project is being compared to relative benchmarks.***

    There is a similar struggle on the financial side, regarding budgets, as staff has never adjusted the project budgets to reflect actual expenditure differences, positive or negative. Staff has made adjustments to the original 100 million dollars by consolidating or disaggregating projects, reallocating a project management lump sum line item by disbursing the funds to each individual project as well as allocating interest earnings on the bond funds thereby, increasing the project budgets. Staff has not adjusted the individual project budgets to reflect whether the project will be over or under budget therefore, staff feels there is a reasonably true baseline. This may create confusion to some who believe the budget should be adjusted to reflect what would actually be spent.
    - *Paul questioned whether or not the MS Project database was reflecting the actual expenditures.*
    - *Keith answered by stating that the two databases run parallel but are not integrated so; MS Project is not reflecting actual expenditures. One of the limitations of MS Project is that it does not redistribute funds if the project is front loaded with costs therefore, the "real time" budget would not be an appropriate reflection. Because the two databases are not integrated staff have had to create additional spreadsheets to reflect an accurate snapshot, thereby increasing staff time.*
  - ***Marc reflected on how to define the baseline, as mentioned by Keith. His thought is that the baseline is very helpful to review the current status***
    - *Keith mentioned that staff is comfortable showing the previous schedule as a current update but from a macro overview it may be important to have the original schedule*
    - *Wendy believes it is very important to have the original baseline, for the public, to be used as an explanation tool*
  - ***Keith reviewed the reports included in the packet (the reports were example reports using old data). The reports included the Monthly Bond Capital Project Report, which is prepared for the Board of Directors each month, showing individual project expenditures. This report is a good tool to see if the project is over or under budget, it does not show what phase the project is in.***

        - *Wink would like to see a percentage complete, based on the adjusted budget, line item included into the Monthly Bond Capital Project Report. He would also like to see the projects be in the same order between different reports.*
        - *Keith responded stating that the project order is based on the bond literature*
        - *Deanna would like a bold or highlighted indicator on the report showing that the project is completed*
        - *Paul mentioned a cost to cost percentage of completion compared to the graphic timeline will show useful information*
            - Wendy added that if patterns are apparent over time, that may be a topic of discussion
- Marc confirmed that slight modifications of the monthly report will be a useful tool then allowed Keith to finish his overview of reports
    - ***Before finishing the review of reports, Keith mentioned that with the high level of overview of the budget, there is still some time if there is a subgroup that wants to dig deeper into the numbers before the next Oversight Committee meeting. Keith stated that more detailed information such as a two-tier structure could be presented to the subgroup while keeping it broader at the regularly scheduled meeting. Keith continued on with his overview of reports. The Project Budget Comparison report has been discontinued since the Monthly Bond Capital Project Report was more satisfactory for what the Board of Directors were looking for. The Bond Cashflow Projection Report was provided to the Committee in the past but is more of a forward-looking tool for staff. Unless members are interested in finding out when the next round of bonds will be issued or the expenditure rate of the prime, it is likely that this report will not be provided to the Committee although it is available if requested.***
        - *Mark will discuss the subgroup idea at the next Committee meeting*
            - Jack mentioned that he would like to make sure that if there is a sub-group there is some kind of report or summary that is issued to the remaining Committee members so there are no jurisdictional problems regarding full disclosure
            - Mark added that full disclosure issues arise if there is a result of action from a sub-group
    - ***Mark confirmed that the group seems pretty comfortable with slight modifications to the monthly report, graphic timeline (to include a third bar showing the original master schedule) and the estimated cost versus budget report with adjustments. Mark mentioned that correlating the Bond Graphic Timeline entries to the entries in the Cost vs. Budget spreadsheet would make it less challenging to review.***
        - *Keith concurred with Marc's statement and agreed that correlating the project order would be beneficial. Keith reminded the members that land acquisition was not included on the graphic timeline. He also mentioned that land acquisition could be included although there would not be a visual timeline associated, as there is no set schedule for land acquisition projects.*
    - ***Barbara Wilson mentioned a concern regarding time lines for land acquisition. She understands the reasoning behind not having a timeline but also believes that if there is a timeline it might move acquisition along faster. She states that it would act as a goal that can be accomplished and when there is no goal and/or timeline then it becomes nebulous***
        - *Keith mentioned that staff can work on targets showing short term and long term targets*
        - *Hal stated that staff could indicate where there is activity and where there isn't activity. Staff can at least show where the District has been and also estimate how*

long it may take to get projects completed although it is difficult when there is no control over the sellers.

- *Barbara reiterated her idea of goal setting and looking ahead at what is reasonable and/or what staff thinks they can accomplish. Barbara does not like the open-ended nothingness and believes that more work gets accomplished by setting a goal.*
- *Marc disagreed that the land acquisition is open-ended nothingness as reports on land acquisition have been distributed to the Committee. These reports have included contacts made.*
- *Barbara stated that you can make all the contacts in the world but if you are not getting there then your not getting there. It is the accomplishment that seems like it is important*
- *Marc doesn't dispute that it isn't accomplished but he acknowledges that some of the issues related to land acquisition is beyond staff's control. Progress against timelines is measured differently when it comes to land acquisition.*
- *Jack questioned whether or not the land that staff was looking at acquiring was land that would be developed as part of the bond measure. If there is a project, requiring land acquisition, and a set time in which that project needs to be accomplished than the land acquisition should be timed out per the project schedule. If the acquisition is just for a land bank then there may be no particular reason to get it done now unless the land can be acquired cheap.*
    - Hal clarified that generally the land acquired would not be used as a current bond project. The one exception is some of the youth athletic fields in each quadrant. The key acquisition pieces for current projects have been highlighted. Hal did mention that a couple of capital projects required land acquisition that the District was unable to acquire therefore delaying the project
    - Jack stated that if land acquisition delays a project than it should be noted so that the delay can be acknowledged properly

- Marc mentioned that land acquisition would be discussed later in the meeting if time permitted
  - ***Wendy requested that District staff would continue with a graphic timeline along with a milestone report and also an exceptions report***
    - *Paul stated the exceptions report would be a little more micro but it will show an overview or why particular projects are delayed or not on budget, positive or negative*
    - *Wendy also stated that the exceptions report will also show when the project has started, the budget and how much time has been spent on a project*
  - ***Marc again reiterated what he heard, as requests from the committee members, which was a modified version of the requested Timeline Report and to create a milestone and an exceptions report.***
    - *Barbara questioned whether or not she had a copy of the Bond Project Timeline*
    - *Wendy replied and showed Barbara where in her binder it could be found*
  - ***Deanna questioned how often the Graphic Timeline Report is updated***
    - *Steve Gulgren replied that the timeline is currently updated semi annually*
    - *Hal mentioned that staff may want to look at updating the Graphic Timeline Report quarterly based on the Bond Oversight Committee meetings*
    - *Marc stated that he could ask the Committee whether or not updating the Graphic Timeline every six months is adequate to use at the quarterly meetings*
    - *Keith mentioned that staff is looking at updating the timeline when changes occur or by showing a milestone to reflect a more "real time" snapshot*

Agenda Item #3 – Discussion of refinements to performance measures for bond projects and programs

- Marc asked what type of milestones the Committee want to see
  - ***Wendy believes that the benchmarks could tie into the milestones (i.e. Master Plan, Design Development)***
  - ***Jack asked if the reports that staff are generating, are the useful to what staff is working on since they are not in real time and they don't enable staff to make adjustments. He also asked what the problems were with MS Project, and is it something that staff can do to make it more useful to the project. Updating schedules every six months does not seem to be beneficial to make timely modifications to a project. Jack then stated that this might be a topic in a section of a future report.***
  - ***Marc mentioned that the Graphic Timeline is challenging to read if you don't have the previous and original schedule***
    - *Hal mentioned that adding a third bar to the Graphic Timeline is possible to show the current, previous and original schedules*
    - *Wendy agreed that a third timeline might be beneficial to try*
    - *Wink would like to see the visual chart along with the exceptions report*
  - ***Marc assumes that the updated schedules will be accurate to with in a few weeks and if a project is off schedule on the Graphic Timeline then a note will be made in the exceptions report identifying the schedule delay***
    - *Wendy and the remaining members agreed with that assumption*
  - ***Marc asked the members what type of exceptions notations (in the narrative or in the timeline) they would like to see incorporated***
    - *Keith gave some suggestions of highlighting and/or identifying completed projects. Also an analysis can be done on projects with significant budget and/or schedule variances*
    - *Paul mentioned that footnotes could be used to identify exceptions*
    - *Marc questioned whether or not staff could have an exceptions and milestone report completed before the next Oversight Committee meeting*
    - *Hal responded that staff will work on something to provide at the next Oversight Committee Meeting*

Agenda Item #2 Discussion Continued – Discussion of internal report formats & content

- Per Marc's statement in the opening comments, discussion of internal reports and formats continued regarding land acquisition.
- Marc passed out a list of criteria that he thought might be appropriate for staff to report on. He gave the caveat that although Hal has seen the list, there has been no discussion about the practicality of the brainstormed ideas.
  - ***Marc is hoping to see a list of general procedures that the District will follow for each property that will be acquired, district policy directives for acquisition, inventory of potentially acquirable properties listing general qualities such as size, quadrant, what the property would be used for, first contact date, appraised value***
    - *Hal mentioned that there is an inventory list that has not been distributed to the Committee since it reveals property locations. He also stated that the Board of Directors has adopted a policy and a set of standard operating procedures for acquiring land. Staff can provide that information at the next Oversight Committee Meeting. Hal stated that staff could work on some sort of general list as suggested by Marc but he cautions that there are many qualitative features that are reviewed when*

purchasing a site such as topography, wetland area and parking to name a few. Hal mentioned that the Board of Directors approved the acquisition of two sites so movement is happening.

- Marc San Soucie opened discussion regarding land acquisition reporting
  - ***Deanna mentioned part of the frustration with the Committee trying to figure out where the District is with land acquisition, is the reporting format. She continued on, stating that all that is provided to the Committee is a report showing how many contacts were made. There is no indication on how the contact went regarding reception of the call, if they are willing to sell, what they are requesting and is it reasonable or not. Deanna reviewed a report from Metro. As she read part of the report, it clearly showed that Metro reported more detail to their Committee regarding land acquisition with out revealing the property location. More information to the Committee may allow discussion regarding outreach or other practical topics.***
  - ***Wendy stated that in this economic downturn it seems that willing sellers are still expecting to sell their homes at prices listed three years ago***
    - *Deanna responded stating that if that is true and that is the reason there are no acquisitions then maybe the District should expect that and just deal with it*
    - *Hal mentioned that it looks as though people are starting to adjust and come around. One of the unforeseen issues seems to be the appraisers and how they cannot agree on what the property is worth since there are no comparables.*
    - *Marc mentioned that might be something the Committee wants to inform the public about so they are aware of obstacles the District faces. Part of the Committee's responsibility is public education.*
  - ***Barbara Wilson thinks that if another reports is made and the result yields little or no progress, for those people who voted for the bond measure because of land acquisition of natural areas, the Park District will have a public relations problem. This portion of the bond measure was very important to certain groups of people who voted yes, and if the third year of the bond measure has little or no progress that will be a real irritant. She does not believe there is an explanation that will appease irritated patrons, even if it is totally true.***
    - ***Keith stated one of the things the Board of Directors is weighing is the need to get value for the acquisitions and that is causing some delay in order to ensure a good deal is being made. Some previous deals could have been consummated if the Board was willing to take a worse deal or acquire a lesser property.***
    - ***Wendy asked if there is some way to report on that information as she feels that kind of information is appropriate to report on. Wendy made the statement that some people may be unhappy that land acquisitions have not been made while others may be mad if the District takes a bad deal just to acquire land.***
  - ***Marc imagines that the suggested inventory spreadsheet will list all properties available, and then provide more detail for properties that are of interest with out revealing the location of the property.***
  - ***Barbara Wilson stated that she did not realize that the Board of Directors was being so picky***
    - ***Wendy stated that she appreciated the pickiness***
    - ***Keith stated that the Board was being careful***
    - ***Wink asked if properties are being considered every month by the Board of Directors***
    - ***Hal responded, yes.***

        - ***Wink then stated that the factors that the Board of Directors is considering may be useful for the Committee to know***
        - ***Wendy wonders if at some point the District would or should look at qualitative measures***
        - ***Hal reiterated that some of the qualitative features are slope, trees, wetlands, parking***
- Mark finished sharing his brainstorm list mentioning that summary statistics, something the Committee could develop, and a report showing information about acquired properties
    - ***Wink wonders if price can be discussed on acquired properties***
        - Hal responded stating, what the District paid can be disclosed and an appraised value range can be discussed for properties yet to be acquired. This may be difficult to assess due to the appraisal conflicts as stated previously
        - Wendy seemed unsure that the Committee should get into too much detail; she thought the information should be more general.
    - ***Barbara Wilson wondered, with the Board of Directors being as selective as they are and with only one purchase in two years, if the criteria are too strict.***
        - *Hal mentioned that two years is inaccurate as the list of potential sites was created in the fall of 2009. Negotiations have really only been taking place for about a year and a quarter.*
        - *Deanna would like to know what the criteria of the Board of Directors are and believes it was passed out at some point*
    - ***Wendy gave an example: if a natural area needed to be purchased and the District settled on a piece that could never be a wetland just to show that an acquisition happened, that would be crazy therefore, criteria need to be in place.***
        - *Keith did not want to imply that the Board of Directors is being overly picky of parcels; rather they are taking the time to ensure that the District is paying the right amount for the value. There is an opportunity, given the market conditions, to exceed the amount of acreage promised if the District is careful in using the funds.*
        - *Wendy mentioned that this is a 20 year bond so there is time*
        - *Deanna added that the Board of Directors should be following the Natural Resources Management Plan for natural area acquisition and also requested a copy of the criteria listed in the document.*
            - *Staff confirmed Deanna's statement and Bruce will provide her with a copy of the criteria*
    - ***Hal mentioned that after meeting with Bruce, it was agreed upon that staff would be pursuing sites, in terms of natural areas, that have a potential to have development occur if it the District doesn't purchase the property. Many of the natural areas will be steep slopes, wetland and riparian areas where it is not going to be developed over the long term but the District still wants to acquire them and piece them together. In fact, as development occurs the District may be able to get a hold of the piece since the developer may not be able to do anything with it. Due to that statement, the main focus is on active recreation parks where the land acquisition is more competitive with the developers.***
        - *Barbara was concerned with Wendy's comment regarding the bond being around for 20years. She explained the longer the wait, to acquire these properties, the less likely you can get exactly what you want because the developers will develop. She has lived in the district for 50 years and has seen beautiful pieces of property, that the District could have picked up for hiking and biking trails, neighborhood parks, natural areas, community parks, be passed up because the District thought there was eternity and they could wait for when there was inclination to get it but these pieces of property are being*

developed. There has been talk, in this meeting, about buying pieces that are outside of the District since there seems to be difficulty finding what is wanted with in the District. The central point to this is that the District needs to be very careful on an ethical basis not to promote or advertise to the voters "natural areas" or "green spaces" if the District is going to just sit back and not do it. If it is going to be the last priority and time is going to be wasted don't advertise the bond measure on that basis because you are going to attract "yes" voters who think they are going to get natural areas, green spaces and neighborhood parks. Barbara does not believe that is the District's intent but there can't be a lackadaisical relaxed effort. Wendy mentioned there was 20 years; there is not 20 years there is now. She would really like to see some action on acquisition

- *Marc stated that he does not believe there is a lackadaisical effort*
- *Wink agreed with Barbara, stating, I have seen when the market was red hot and saw the last pieces of property in the neighborhood go away. Neighbors called the School and Parks informing them that if they don't act now it will be gone. At this time, Wink believes, the District may find themselves in the same situation pretty fast.*
- *Hal wanted to clarify that natural areas are being pursued and the focus is on properties that could potentially be lost to development. In fact there are some that the District intends to buy as natural areas. Hal mentioned that there are approximately 20 deals in process and about one third of those are natural areas. That does not include bike route easements and natural area easements. There also designated staff working with Metro and Trust for Public Lands for acquisitions.*

- Marc reverted back to the reporting format
  - ***Marc questioned district staff if the suggested information for staff to provide was fairly reasonable. He also mentioned that this is with the understanding the report would be brought to the Committee to be discussed as well***
    - *Hal stated that would be reasonable and will provide something for the next Oversight Committee Meeting*
  - *Marc reviewed the Performance Measure Report on land acquisition from September 2009 and asked the sub committee members if they felt those were useful metrics.*
    - *Wendy liked the report that was distributed in October although it was hard to tie it back into the other reports. She mentioned that it might be beneficial to add some items from the October report.*
    - *Marc like the "status of negotiations" category*
    - *Deanna asked that if the Performance Measure Reports were still going to be used, she would like to see a total at each of the columns and maybe add the quadrant the site is located in. She would also like to see the fiscal year be incorporated as well as a reporting period and whether or not there is a partnership with another jurisdiction.*
    - *Marc would like to have a breakdown by property so a report can be generated by quadrant, size etc.*
    - *Barbara likes the list that Marc provided and feels it will provide good information.*

Agenda Item #4 - Adjourn

- The next meeting will be on February 17, 2011. There being no further Agenda Items, the meeting was adjourned at 8:00pm.