



Tualatin Hills Park & Recreation District Minutes of a Regular Meeting of the Board of Directors

A Regular Meeting of the Tualatin Hills Park & Recreation District Board of Directors was held at the HMT Recreation Complex, Peg Ogilbee Dryland Training Center, 15707 SW Walker Road, Beaverton, on Monday, November 2, 2009. Executive Session 6:00 p.m.; Regular Meeting 7:00 p.m.

Present:

Larry Pelatt	President/Director
Bob Scott	Secretary/Director
William Kanable	Secretary Pro-Tempore/Director
Joseph Blowers	Director
John Griffiths <i>(via telephone)</i>	Director
Doug Menke	General Manager

Agenda Item #1 – Executive Session (A) Legal (B) Land

President, Larry Pelatt, called Executive Session to order for the following purposes:

- To consider information or records that are exempt by law from public inspection, and
- To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

The Executive Session is held pursuant to ORS 192.660(2), which allows the Board to meet in Executive Session to discuss the aforementioned issues.

President, Larry Pelatt, noted that representatives of the news media and designated staff may attend the Executive Session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to disclose information discussed during the Executive Session. No final action or final decision may be made in Executive Session. At the end of the Executive Session, the Board will return to open session and welcome the audience back into the room.

Agenda Item #2 – Call Regular Meeting to Order

President, Larry Pelatt, called the Regular Meeting to order at 7:05 p.m.

Agenda Item #3 – Action Resulting from Executive Session

Bob Scott moved the Board of Directors authorize staff to complete the acquisition of the subject property in the Park District's southwest quadrant subject to the cost limit and funding sources discussed in Executive Session. Bill Kanable seconded the motion. Roll call proceeded as follows:

John Griffiths Yes
Joe Blowers Yes
Bill Kanable Yes
Bob Scott Yes
Larry Pelatt Yes

The motion was **UNANIMOUSLY APPROVED**.

Bob Scott moved the Board of Directors authorize staff to complete the acquisition of the subject property in the Park District's northeast quadrant subject to the cost limit discussed in Executive Session. Joe Blowers seconded the motion. Roll call proceeded as follows:

Bill Kanable Yes
John Griffiths Yes
Joe Blowers Yes
Bob Scott Yes
Larry Pelatt Yes

The motion was **UNANIMOUSLY APPROVED**.

Bob Scott moved the Board of Directors add a new agenda item, Resolution Approving Amendments to Exhibit D of the Tigard Urban Service Agreement, to this evening's agenda as item 10C under New Business. Bill Kanable seconded the motion. Roll call proceeded as follows:

Joe Blowers Yes
John Griffiths Yes
Bill Kanable Yes
Bob Scott Yes
Larry Pelatt Yes

The motion was **UNANIMOUSLY APPROVED**.

Agenda Item #4 – Oregon Recreation & Park Association Awards

Doug Menke, General Manager, introduced Amanda Rich, Oregon Recreation & Park Association (ORPA) Executive Director, to present three awards ORPA recently bestowed upon Park District employees.

Amanda introduced Karin Madsen, Program Coordinator at Cedar Hills Recreation Center, noting that ORPA awarded Karin the SPRINT (Section for PRogramming INTERests) Programming Award. This award is given to those who develop successful creative, innovative or unique programs. Amanda noted that Karin was recognized for her creative summer youth camps at Cedar Hills Recreation Center, and described those camps which included the Eco-Fashion Camp, Settling Days Homestead Camp, and CSI Camp.

- ✓ Karin thanked ORPA and the Board of Directors for the recognition and described a few unique features of the camps, noting that they represent the popular trend of combining recreation with education.

Amanda introduced Julie Reilly, Natural Resource Specialist, noting that ORPA awarded Julie the Natural Resources Section Outstanding Service Award. This award is given to those who demonstrate leadership and have contributed to ORPA and the natural resources field for many years. Amanda noted that Julie was recognized for her role in helping

establish the section, serving as its president, and making other contributions such as co-authoring Metro's "Green Trails" and Goal 5's "Low Impact Development Approaches."

- ✓ Julie thanked ORPA and the Board of Directors for the recognition, noting that ORPA is a wonderful organization with members who are willing to actively contribute.

Amanda noted that the David E. Clark Professional Honor Award is presented to a professional ORPA member who, through incentive, inspiration and demonstration of leadership, has made noteworthy contributions over a period of time to the recreation and park movement. Candidates must have been active in the field for a minimum of 15 years and an ORPA history of membership for at least 10 years. Amanda introduced Jim McElhinny, Director of Park & Recreational Services, noting that this is the highest recognition ORPA can bestow. She described Jim's thirty years of service to the park and recreation field, including his involvement in ORPA and its Legislative Committee.

- ✓ Jim thanked ORPA and the Board of Directors for the recognition, noting that this award is humbling, especially when considering the dedication of his fellow park and recreation colleagues.

Agenda Item #5 – Request for Exemption from Competitive Bidding Process for Synthetic Turf

A. Open Hearing

President, Larry Pelatt, opened the public hearing.

B. Staff Report

Keith Hobson, Director of Business & Facilities, provided a detailed overview of the memo included within the Board of Directors information packet, noting that staff is requesting Board approval to seek an exemption from the public bidding process for the selection of a synthetic turf product, in accordance with the State of Oregon exemption process. In 2005 a similar exemption was granted that allowed the District to enter into a sole source agreement with FieldTurf, which expires in March 2010. The District will be installing synthetic turf in two upcoming bond projects, at Cedar Hills Park and Southwest Community Park. An exemption from competitive bidding would benefit the District by allowing the District to negotiate with the supplier for a reduced contract cost for design and materials, as well as giving the District the ability to establish common maintenance, staff training, warranties and product representation. If the Board authorizes the exemption, staff would prepare a Request for Proposals (RFP) for competitive solicitation for the contract.

C. Public Comment

There was no testimony during public comment.

D. Board Discussion

There was no Board discussion.

E. Close Hearing

President, Larry Pelatt, closed the public hearing.

F. Board Action

Bill Kanable moved the Board of Directors, acting as the Local Contract Review Board, adopt the after-the-fact evaluation comparing the actual results to the findings in the original exemption of the public improvement projects, for the installation of the synthetic turf fields at PCC Rock Creek and HMT Recreation Complex Field #2; approve the findings to exempt from competitive bidding the selection and installation of a synthetic turf product for upcoming projects within the next five years, in accordance with the State of Oregon competitive bidding exemption provisions outlined in ORS 279C.335; approve the resulting supplier selected from the RFP process to be exclusively included as the supplier in future synthetic turf product construction contracts at District facilities; and, authorize the General Manager or his designee to negotiate and execute the agreement with the selected synthetic turf supplier. Bob Scott seconded the motion. Roll call proceeded as follows:

Joe Blowers	Yes
John Griffiths	Yes
Bob Scott	Yes
Bill Kanable	Yes
Larry Pelatt	Yes

The motion was **UNANIMOUSLY APPROVED**.

Agenda Item #6 – Audience Time

Pavel Goberman, PO Box 1664, Beaverton, is before the Board of Directors this evening regarding a situation where he was not allowed to speak at a recent Elsie Stuhr Center Advisory Committee meeting. In addition, Pavel described his request to the Park District to facilitate a debate between himself, as a candidate for US Senate, and Senator Ron Wyden, noting that his agenda is in support of the senior citizens of the country. Pavel submitted written testimony into the record.

- ✓ Larry Pelatt noted that the Park District does not typically engage in politics and, therefore, would not facilitate such a debate; however, he noted that staff would look into the situation where he was not allowed to speak at the Advisory Committee meeting.

Agenda Item #7 – Board Time

Bob Scott asked that staff provide any feedback received on the activities guide distribution change whereby guides would no longer be mailed to residents, but available online and at various facilities for pick up instead.

- ✓ Bob Wayt, Director of Communications & Development, noted that at this time there has been little feedback; however, he would keep the Board apprised.

President, Larry Pelatt, referenced the Management Report included within the Board of Directors information packet, and asked for confirmation that 86% of patrons registering for fall basketball did so online.

- ✓ Doug Menke, General Manager, confirmed this.

Bill Kanable commented that he recently attended the National Recreation & Park Association annual conference, noting that it was a great conference and that he appreciates the opportunity to take part.

Larry commented that the Park District ran well while the General Manager was out of town, noting that this is a testament to the quality of Park District staff.

Agenda Item #8 –Consent Agenda

Bill Kanable moved the Board of Directors approve Consent Agenda items (A) Minutes of October 5, 2009 Regular Meeting, (B) Monthly Bills, (C) Monthly Financial Statement, and (D) Recreational Trail Program Grant Application Resolution. Bob Scott seconded the motion. Roll call proceeded as follows:

Joe Blowers	Yes
John Griffiths	Yes
Bob Scott	Yes
Bill Kanable	Yes
Larry Pelatt	Yes

The motion was UNANIMOUSLY APPROVED.

Agenda Item #9 – Unfinished Business

A. 2008 Bond Measure

Doug Menke, General Manager, introduced Hal Bergsma, Director of Planning, and Bruce Barbarasch, Superintendent of Natural Resources & Trails Management, to provide an overview of the memo included within the Board of Directors information packet.

Hal provided a detailed overview of the memo sections regarding architecture and engineering contracts, public meetings, land acquisition, and play structure replacement projects, while Bruce provided a detailed overview of natural resource activities related to the bond. Hal and Bruce offered to answer any questions the Board may have.

- ✓ Hearing no questions, President, Larry Pelatt, requested the staff report for the next agenda item.

B. Energy Savings Performance Contract Project Development Plan

Keith Hobson, Director of Business & Facilities, introduced Ann Mackiernan, Operations Analysis Manager, to provide an overview of the memo included within the Board of Directors information packet. Keith noted that Cameron Hamilton, Business Development Manager, and Laura Ward, Senior Program Manager, both with McKinstry, are also in attendance this evening.

Ann provided a detailed overview of the memo, noting that staff is requesting Board ratification of the findings of the Project Development Plan (PDP) conducted as the second step in the Energy Savings Performance Contract (ESPC) project as well as authorization to move forward to the Design and Construction phase of the ESPC project. She noted that this evening's information is a continuation of what was presented to the Board of Directors at their August 24, 2009 meeting, but that the calculations have been further refined. At the August presentation, the list of projects was approximately \$3 million; however, since that time, the list has been reduced to \$1.6 million due to projects no longer feasible because of a projected NW Natural Gas rate reduction of 17%. Projects that involved NW Natural Gas, such as boiler projects, no longer provided the necessary energy cost savings.

Ann provided a detailed overview of the Cash Flow Analysis scenarios included within the Board of Directors information packet via PowerPoint presentation, noting that the cash flow scenario that staff will most likely recommend is one without infusing any capital and that includes the replacement of one boiler system in the package. Ann noted that with the ratification of the findings of the PDP and the authorization to move forward, staff will select the final construction project list and the ESPC will move to the next phase of the project, the Design and Construction phase.

President, Larry Pelatt, asked when the boiler being considered for inclusion within the package is scheduled to be replaced.

- ✓ Dave Chrisman, Superintendent of Maintenance Operations, replied in about five years.
- ✓ Keith noted that based on the condition of the asset, it may not make it that far.
- ✓ Doug Menke, General Manager, noted that another challenge is the complexity of a boiler replacement and the potential impact to the facility.

Bob Scott referenced the cash flow analysis, noting that the life of the equipment is listed as 10 years; however, the cash flow analysis period is 20 years.

- ✓ Cam replied that those are default values.
- ✓ Ann replied that the life of the equipment number is actually a blend of all of the different projects.

Ann described that in the Design and Construction phase, final equipment cost calculations would be determined and established as Guaranteed Maximum Prices. The guaranteed energy savings calculations would also be finalized during this phase of the ESPC.

Cam explained that due to the significance of the project, McKinstry had their boiler specialists examine the boiler proposed for replacement and due to the discovery that the condition of the boiler is of a critical nature, it was decided not to install a micro turbine, but to focus on replacement of the entire unit instead.

- ✓ Larry asked why the micro turbine is not being considered along with the replacement of the boiler.

Cam replied that the boiler handles the cool and hot water and building heat and that the micro turbine would have only partially handled the load for the cool water. Given the current condition of the boiler, a new heating solution became more critical than installing the micro turbine.

Bill Kanable noted that the Park District's Maintenance staff inspects the boilers as well and asked whether the change in paint color described earlier as an indication of system deterioration could be a recent change.

- ✓ Cam replied that it had been there for a while.

Bill asked whether our Maintenance staff should have noticed it.

- ✓ Cam replied that McKinstry inspected the boiler when it was open, which provided a better view. In addition, the person conducting the inspection was the state's Boiler Board president, appointed by the Governor, who has a wealth of information.
- ✓ Dave noted that a much higher level of review is available when the boiler is opened up.

Bill asked when the boiler was installed.

- ✓ Dave replied 1978.

Larry asked what the remaining life of the boiler is.

- ✓ Laura replied that while the unit is showing signs of decline, it is hard to determine exactly how fast the deterioration is happening.
- ✓ Cam confirmed that all of the unit's components are showing signs of wear.
- ✓ Dave noted that this is an opportunity to leverage the replacement now.

Larry and Bill expressed agreement.

- ✓ Cam offered reassurance that there is some life left within the existing boiler, but that an opportunity is available now to plan for its replacement.

Larry agreed, commenting that he feels the Park District does a good job of planning for such replacements as is evident by the lack of significant maintenance problems that are a result of defective planning.

Keith referenced Bob Scott's previous question, noting that according to fiscal law as well as Park District policies, the Park District would not establish a financing term that exceeds the average life of the asset being financed.

Bob Scott moved the Board of Directors ratify the Project Development Plan findings conducted as the second step in the Energy Savings Performance Contract and authorize to move forward to the Design and Construction phase of the project. Bill Kanable seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Joe Blowers	Yes
Bill Kanable	Yes
Bob Scott	Yes
Larry Pelatt	Yes

The motion was UNANIMOUSLY APPROVED.

C. General Manager's Report

Doug Menke, General Manager, provided a detailed overview of the General Manager's Report included within the Board of Directors information packet, which included the following topics:

- Budget Committee Vacancy
 - *It was the consensus of the Board of Directors to advertise for the Budget Committee vacancy.*
- City of Portland/Bureau of Environmental Services (BES)
 - President, Larry Pelatt, stated that the Park District needs to push hard for BES to conduct a feasibility study on the use of boring on this project, rather than digging and trenching, and to receive a copy of that study.
 - Joe Blowers commented that he has major concerns with this project.
- Leadership Development Update
- All Staff Meetings
- Letter from Patron regarding Jenkins Estate Staff
- Board of Directors Meeting Schedule
 - *It was the consensus of the Board of Directors to hold the February Regular Board meeting on February 8, 2010 and the March Regular Board meeting on March 8, 2010.*

Doug offered to answer any questions the Board of Directors may have regarding the General Manager's Report.

- ✓ Hearing no questions, President, Larry Pelatt, requested the staff report for the next agenda item.

Agenda Item #10 – New Business

A. Revised Planning & Budget Process

Keith Hobson, Director of Business & Facilities, provided a detailed overview of the memo included within the Board of Directors information packet which recommends changes to the Park District's planning and budgeting process. Keith noted that one of the key differences being recommended is that the annual goal setting, as done by the Board of Directors, focus on performance measure outcomes for each goal that the Board would like to see rather than specific activities to be accomplished. Using the outcomes established by the Board, staff would convene in cross-departmental teams to develop business plans designed to achieve those outcomes. Business plans would then feed into the budget process as priority funding items. Goals, objectives and action steps from the Comprehensive Plan would still be the basis for business plans. The intention of creating goal outcomes is to measure progress and ensure that the action steps and objectives are effectively moving toward achievement of the goal. Keith stated that no official action is being requested of the Board of Directors this evening, noting that if the Board consensus is to move forward with this proposed process, staff would return to the Board at the December Regular Board meeting to request a review of proposed performance measures.

Joe Blowers referenced Goal Outcome 1 included within the memo, of Park Maintenance reducing travel time as a percent of overall Maintenance staff time from 25% to 18%, and asked how the Board would know whether that was a reasonable goal.

- ✓ Keith replied that once the priority measures are established, they would be tracked so that the Board would have some history as reference. In addition, there would be staff input as to what could be accomplished. Another factor is that these do not all have to be one-year outcomes but could span multiple years.
- ✓ President, Larry Pelatt, noted that the Park District would also be tracking information from like organizations that could provide some baselines as well.

Bob Scott described his interpretation of the process in that not a lot of the detailed information would move up to the Board's level; instead, that detailed information would build the budget that the Board looks at from the 20,000 foot level.

- ✓ Bill Kanable expressed agreement, noting that the details would be supporting information to help drive the budget numbers. Having a business plan as to how the Park District is quantifying or qualifying its direction within the budget numbers does make sense. It is happening now in an indirect way through staff reports and verbal updates, whereas this would be a written, trackable methodology.

Doug Menke, General Manager, noted that it would be staff's intent to provide a laundry list of target areas that may generate thoughts from the Board as to other areas. For example, the Board may come to a consensus that the overall concept of reducing travel time is good and would then direct staff to return with supporting data in order to distinguish what it would mean to reduce travel time by 10% and whether that would impact other areas of operations.

Larry noted that this process would allow the Board a participatory aspect of setting targets while not inserting itself into operations. He expressed support for the proposal, noting that he believes it will head the Park District in a lot of great directions.

- ✓ Joe expressed agreement.

Bob asked what led staff to this idea.

- ✓ Keith replied that staff had been discussing how to make the budget process more closely aligned with goals, as well as how to make the goals more quantifiable. In addition, he had learned about a similar process through a Government Finance Officers Association conference he attended.

Larry noted that he likes the proposal because it creates a goal driven thought process that can be reevaluated at any point in the process. He expressed that the Board has had too many goals in the past that are almost intangible with a limited number of action steps, which he believes become out of sync when matching budgets to goals.

- ✓ Keith noted that the key difference in this process from his perspective is that it really focuses on outcomes rather than inputs or activities.
- ✓ Joe noted that it also provides staff more opportunities to be involved, so it is a real collaborative effort from both standpoints and is less arbitrary than some of the Board's goals have been in the past.

Joe considered that the Comprehensive Plan would be what keeps the Board at the 20,000-foot level. He cautioned that the Board should not get so involved in details that it loses the big picture of where the Park District is headed. That would be his only concern with the proposal.

- ✓ Bill replied that the other side to the issue is that the Board is so disassociated with the actual delivery of the goal. Through this process, if the Board wants to know a greater level of detail, it can trace the information down to that level.

Joe stated that the Board just needs to ensure that it can look at the big picture within this process as well as the details.

- ✓ Larry commented that his interpretation is that it is an even step process whereas the current process results in some steps that are small and some that are too large and in the end they do not line up well.

Joe asked when the goals and objectives would change.

- ✓ Keith replied that the overriding goals would change when the Comprehensive Plan changes, which is a five year window.
- ✓ Doug noted that staff would have a better grasp on this when the recommendations are brought back to the Board in December. He noted that this is going to be a fluid process that will rely on feedback and fine-tuning.

President, Larry Pelatt, confirmed the Board of Directors consensus to move forward with the revised planning and budgeting process recommendations.

B. Retirement Plan Investment Policy

Keith Hobson, Director of Business & Facilities, provided a detailed overview of the memo included within the Board of Directors information packet requesting Board adoption of Investment Policy recommendations for the funds held in the District retirement plan.

Keith noted that staff has been working with the District's retirement plan consultant, Tom Smothers, to review investment performance of the retirement plan assets and to develop recommendations for enhancing that performance. Based on this review, staff has entered into an agreement with Morningstar Managed Portfolios to invest a portion of District retirement plan assets in a fund managed by Morningstar. The approval of the investment policy for the assets held in the District retirement plan enables staff to work with the Retirement Plan consultant and investment manager to structure an investment strategy that best serves the needs of the retirement plan. It also ensures that there is clear policy guidance between the Board of Directors, staff, the retirement plan consultant and the investment manager. Keith introduced Tom Smothers, the Park District's Pension Consultant, and Aaron Peterson, Regional Director for Morningstar, to provide a brief introduction of the new investment strategy and to answer any questions the Board may have.

Tom stated that he has worked on the Park District's retirement plan since 1982 and that it has grown to a size where it could benefit from diversification and he is pleased that the Park District secured Morningstar for that purpose. In effect, all that is being done is that the current retirement plan assets at risk as far as being in equities are being moved to Morningstar in the same type of custodial position, but with a portfolio approach that they have developed with multiple layers of oversight, and at a low level of cost as well.

President, Larry Pelatt, asked for confirmation that the new investment policy would provide significantly more balance and diversification for the plan.

- ✓ Tom confirmed this and provided a brief overview of the activities that transpired and led to this recommendation.
- ✓ Aaron provided a brief overview of what is included within the growth portfolio.

Larry asked who is developing the parameters.

- ✓ Keith replied that there are two parts to that answer. There is an investment mix where some assets will still be kept within the Standard Guarantee Fund. But, we now have a range, so we will continue to monitor the plan with Tom and Aaron to determine how much of the funds should be in each. Beyond that, the decisions being made by the Board tonight are in effect setting those parameters and Tom and Aaron will tell the Park District when it is time to update those parameters.
- ✓ Tom provided a detailed overview of how he sees the fund growing over time, the amount of flexibility and how the portfolio could react to changes in the marketplace.

Bob Scott moved the Board of Directors approve the Investment Policy for District Retirement Plan Assets as recommended in Attachment A. Bill Kanable seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Joe Blowers	Yes
Bill Kanable	Yes
Bob Scott	Yes
Larry Pelatt	Yes

The motion was UNANIMOUSLY APPROVED.

C. Resolution Approving Amendments to Exhibit D of the Tigard Urban Service Agreement

Doug Menke, General Manager, commented that Park District staff received the request for this agenda item from Washington County on the Friday prior to this evening's Board meeting.

Hal Bergsma, Director of Planning, provided a detailed overview of the memo distributed to the Board of Directors this evening, a copy of which was entered into the record, regarding an expedited request received from Washington County to amend the section of the Tigard Urban Service Agreement relating to provision of park and recreation services in order to enable a hearing to take place on November 24, 2009 on a petition concerning the formation of a special district to manage and operate the aquatic centers at Tigard and Tualatin High Schools. Hal provided a detailed overview of the activities leading up to the requested amendment, noting that the action requested this evening is Board approval of the resolution approving amendments to Exhibit D of the Tigard Urban Service Agreement, and offered to answer any questions the Board may have.

President, Larry Pelatt, commented that he sees no reason that the Park District should stand in the way of the potential formation of this aquatic district.

- ✓ Bill Kanable agreed, noting that it is all going to come down to a public vote in the end.

Joe Blowers asked for confirmation that the Tigard parks bond measure and this are two separate issues.

- ✓ Larry confirmed this.
- ✓ Doug noted that the Tigard parks bond measure will be voted on tomorrow while this issue would not be on the ballot until May 2010.

Bob Scott moved the Board of Directors approve an amendment to the exhibit of the Tigard Urban Services Agreement relating to the provision of park and recreation services in the Tigard area. Bill Kanable seconded the motion. Roll call proceeded as follows:

Joe Blowers	Yes
John Griffiths	Yes
Bill Kanable	Yes
Bob Scott	Yes
Larry Pelatt	Yes

The motion was UNANIMOUSLY APPROVED.

Agenda Item #11 – Adjourn

There being no further business, the meeting was adjourned at 8:45 p.m.

Larry Pelatt, President

Bob Scott, Secretary

Recording Secretary,
Jessica Collins