



Meeting Minutes

02/17/2011 - Meeting of the Bond Oversight Committee

Tualatin Hills Park & Recreation District

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

The sixth 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, February 17, 2011, beginning at 6:00 p.m.

Present:

Committee Members:

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

Ex-Officio Members:

Bob Scott, Board of Directors
Hal Bergsma, Director of Planning
Keith Hobson, Director of Business
& Facilities

THPRD Staff:

Doug Menke, General Manager
Bruce Barbarasch
Cathy Brucker
Dave Chrisman
Wil Eadie
Steve Gulgren
Nicole Paulsen

Absent:

Committee Members:

Wink Brooks
Deanna Mueller-Crispin
Dan Plaza

Agenda Item #1 – Opening Comments

- Chair, Marc San Soucie, called the meeting to order at 6:00 p.m.
- Doug Menke, General Manager, stated six positions will be expiring in March. Three individuals have reapplied for their position and there are multiple individuals from the public with interest. Applications and recommendations will go to the Board of Directors for approval in March who will make the final appointment for six total positions. The six individuals whose terms are expiring are Rob Massar, Fred Meyer, Deanna Mueller-Crispin, Dan Plaza, Marc San Soucie, and Barbara Wilson. Doug thanked them for their time served on the committee.
- Doug informed the group that District staff is in process of doing 15-20 presentations to CPO's and NAC's to update the community on bond project information. Doug stated that if there were any specific groups the committee felt should be presented to, they could let him or other staff know.
 - *Barbara Wilson mentioned that Bob Wayt, Director of Communications & Outreach, and Bruce Barbarasch, Superintendent of Natural Resources & Trails Management, attended her NAC meeting and did a very nice job.*

- Marc noted that he received a mailer, in report format, from PCC regarding information on their bond program. Marc noticed that PCC did not appoint an oversight committee. Marc encouraged members to consider the report for when it is time to update the THPRD annual report.

Agenda Item #2 – Self-Introductions

- Chairman, Marc San Soucie, asked committee members to give a quick introduction of themselves.
 - **Marc San Soucie:** Beaverton City Council Member; Committee Chair
 - **Anthony Mills:** Associate Director, Tualatin Soil & Water Conservation District
 - **Stephen Pearson:** Portland Parks & Recreation Capital Budget Member
 - **Wendy Kroger:** THPRD Trails Advisory Committee Member
 - **Fred Meyer:** Current member of THPRD Budget and SDC Task Force Committees
 - **Paul Waldram:** CPA for Moss Adams LLP; Trustee for Tualatin Hills Park Foundation
 - **Rob Massar:** Assistant Administrator, Washington County
 - **Jack Platten:** Former Beaverton Planning Commission; Attorney
 - **Barbara Wilson:** Former THPRD Board Member
- Marc addressed the members of the public noting that although it was not stated on the agenda, if they would like to speak there would be a time for them to address the committee.

Agenda Item #3 – Approve Minutes of October 28, 2010 Committee meeting and January 12, 2011 Subcommittee meeting

- Chair, Marc San Soucie, moved the Bond Oversight Committee to approve Agenda Item (#3), Minutes from October 28, 2010 as well as the January 12, 2011 Subcommittee meeting. It was clarified, by Doug that the January 12, 2011 minutes only need to be approved by members who attended the subcommittee meeting.
- October 28, 2010 meeting minutes.
 - **Barbara Wilson, while looking at page 2 Agenda Item #4, was concerned about the lack of wording acknowledging what was being discussed. She mentioned that her comments were regarding the acquisition of natural resources and it does not reflect that as the topic. She believed there was a particular paragraph related to natural areas, which is not specifically represented. She felt if a person picked up a copy of the minutes, they would not be able to identify what the dialogue was related to.**
 - *Marc asked Barbara if it would be possible for her to go back through the materials from the last meeting to identify the specific passage she is referring to.*
 - *Barbara stated that she would review her documents at a later time. She mentioned that she remembered the paragraph specifically since she sent an email to Marc rejecting it.*
 - **Barbara also noted a typo on page 2 that “combing” should be “combining”.**
 - **Wendy Kroger noted on page 6 that Jack Platten stated “noting” not “nothing”.**
 - **Barbara questioned Bruce’s explanation, on page 6, regarding “implementation”.**
 - *Bruce stated that “implementation” referred to labor and materials rather than administrative paperwork and/or process/policy.*
 - *Barbara requested that “implementation” be revised to state “materials and labor”.*
 - **Marc suggested that the minutes be held for later in the meeting or the next meeting if there is not a high priority to approve at this time.**
- January 12, 2011 subcommittee meeting minutes.
 - **Wendy noted on her own statement on the top of page 7 that it should include “the District would or should”.**
 - **Barbara noted that page 4, from a statement by Marc, the word “it” should be omitted.**

- *Marc also noted that his statement should read, "...he acknowledges some of the issues related to land acquisition..."*

Agenda Item #4 – Financial Reporting (including exceptions)

- Marc San Soucie, Chair, gave an overview of the subcommittee meeting and explained the overall goal of getting to a level of specificity in the reports from staff to the committee, regarding projects and land acquisition, that would give enough detail for the members to feel comfortable with the level of insight, success and implementation of the bond program. Refining/standardizing the reports should also help alleviate the amount of staff time that is spent. Staff brought examples of reporting formats based on the subcommittee's requests. Marc noted that the reports are not final unless the committee is satisfied and accepts them as final.
- Marc opened the floor for discussion regarding financial reporting.
 - *Paul Waldram reiterated that one of the goals was to reduce staff time spent on the reports so if the committee requests are burdensome or difficult he would like staff to make the committee aware.*
 - *Keith Hobson, Director of Business & Facilities, appreciated the efforts of the committee to report in a more standardized format as well as the willingness to adjust the meeting schedule to allow for a month end closing. Delaying the meeting has allowed staff to close the quarter and report to the Board as well as the committee. Keith added that the formats requests from the subcommittee were not burdensome as they are similar to what is prepared for the Board on a monthly basis. Keith reviewed the reports included within the packet. Several items were added to the reports based on the January 12 subcommittee meeting including footnotes and additional columns showing percentage of completion. An item not footnoted was a project that came in significantly under budget. Keith added that in the future, overages and underages will be included in the reports. He noted that the budget savings was related to using a purchasing exemption from the Board to pursue a "design build" project as well as receiving very good requests for proposals.*
 - *Marc wondered if the design build approach is something that can be considered for other projects. He would like to make sure that future reports note underages as it would be nice to incorporate successes.*
 - Keith responded stating the project would have to be a specialized project allowing for that type of build. The project that allowed for a design build was dependent on elements at the park that were already in place. It allowed for the consultant to design the project and build it out. The normal process would be a design, bid, build process to allow for the most competitive proposals.
 - *Bob Scott stated the "percent to project" cost is a little misleading since it is not taking into account what is over or under in order to give a percent. He would like to see the cost compared to what was spent. For example, if the project is over budget, the percentage would read 100+.*
 - *Keith added that for a completed project it would reflect what Bob is mentioning, but most projects are still in process.*
 - *Stephen Pearson stated it measures the cost but doesn't identify where the project is compared to completion.*
 - *Stephen was concerned with the estimated cost to complete merely derived from subtracting cost to date from the budget, which prevents a clear picture on where the project is in its life cycle. Not updating the budget until awarding the contract does not allow for staff or the committee to really notice if a project is headed down the wrong path. Once a contract is awarded, any kind of recourse is too late.*

- *Keith disagreed by stating that some projects have gone over the allocated share for soft cost but through analyzing the project scope, staff believes that the construction estimates will offset the overage on soft cost. If there are cases where projects are over on soft costs and do not see an offset on construction, we do acknowledge it on the report -- there just have not been a lot of cases. Keith stated that the estimated cost to complete budget is kept accurate which is how staff can detect a known overage or underage. Keith also noted that if the project is over budget in all facets, staff is making a conscious decision to bid out elements as an alternate, reduce the scope of the project and/or look at possible savings in order to keep the construction costs in budget. This allows the project to remain flexible with the budget while still awarding the contract.*
- *Jack Platten stated that it seems staff feels there is no point in showing overages as the project goes along which he feels is what this committee would be most interested in reviewing. If everyone is alerted to an overage when the project has gone far enough where a change cannot be made, there is no time to make a decision. He believes it is important to highlight the changes, even if it is believed that future items will offset the overage, so that it can be made aware of early on which would be more useful. Paul agreed.*
- *Keith mentioned that a previous report, brought in January, did show what Jack was referring to and it was requested by the subcommittee to continue using the report passed out currently as it could retain more information regarding expenditures to date.*
- ***Marc wondered if rather than focusing on numbers, which represent the estimates, maybe the committee should be requesting an exceptions report.***
 - *Keith mentioned that another complexity of these projects is that they are not fixed numbers, meaning elements can be moved, removed or added in order to design to a budget.*
- ***Fred Meyer noted that the SE Quadrant Park was confusing.***
 - *Keith explained that project was an anomaly due to overspending on land in that quadrant. The District purchased a piece of property that was much larger with the intention of finding backfill sources of funding such as grants and partnerships or other District resources with the caveat that if funding sources were not available a portion of the land could be sold and still meet the goals.*
 - *Fred noted that there should be a footnote on that.*
 - *Marc noted that it should be marked complete.*
- ***Marc asked the committee what they feel the essential information is that they need when a project has not gone out to bid yet.***
 - *Stephen noted that he would like to see what the stressors are and maybe set up a threshold that will require an explanation thereby creating an alert system. He saw so many projects that would go into the contingency and then need more and more money, becoming a runaway project. He feels this alert system would be one way to thwart off runaway projects.*
 - *Marc wondered if that is something that can be shown in the financial report or if it should be shown as an exceptions report.*
 - *Jack believes it should be on an exceptions sheet.*
 - *Stephen thought it could be indicated as the graphic timeline is.*
 - *Doug agreed that staff will review the reports and look at thresholds.*
 - *Marc would like the committee to be able to review thresholds.*

- *Marc would like to include an indicator whenever the “estimated cost to complete” changes.*
- *Wendy Kroger was confused that the Aloha Swim Center ADA Dressing Room showed 100% complete when it was significantly over budget.*
 - *Keith explained that the percentage complete is not a cost to budget percentage, it is a cost to cost, therefore it shows that we have allocated 100% of project funds.*
 - *The committee agreed that there should be two columns, a cost to budget and a cost to cost.*
- *Wendy asked if some footnotes could be included on some past projects that are over budget. She would also like to marry the exceptions report and the financial report regarding staff time allocations.*
 - *Keith explained that it is not reflected on the financial reports because it is not adding additional dollars to the project. He explained that staff time allocation is merely reflecting scheduling conflicts.*
- *Barbara Wilson agreed that she would like visual indicators when there are financial changes.*
- *Marc confirmed what the committee would like to see for next meeting. He stated that a financial exceptions report would be beneficial, in the form of the graphic timeline exceptions report, and additional columns on the financial report noting a cost to cost and cost to budget column.*

Agenda Item #5 – Progress Timeline (including milestones and exceptions)

- *Hal Bergsma, Director of Planning, informed the committee that an additional bar was added to each project reflecting the project’s current schedule, most recent schedule and original schedule. Staff continues to use the same phases as described in the legend at the bottom. Staff also added a listing of milestones on the right side of the timeline. A milestone refers to a phase in a project. If a phase/milestone is not completed there will be a footnote directing the committee to the exceptions report where an explanation of the missed milestone will be placed.*
- *Steve Gulgren, Superintendent of Planning & Development, gave an overview of the timeline and identified a project, AM Kennedy Park, for the committee to review as an example to show how the project is tied to the milestone report as well as the exceptions report. Steve clarified that 1 milestone is 1 phase. Steve also explained that red milestone numbers show a deficiency while green numbers show efficiency. For instance, Steve explained that some projects have been moved up as staff time allowed and that efficiency is indicated in green.*
 - ***Marc San Soucie, Chair, noticed that some natural resource projects have been pushed back by up to two years.***
 - *Steve explained that many natural resource projects are in the same parks as the planning and development projects. Since many of the natural resource projects are about restoration, that department must start their project after the completion of the planning project.*
 - *Marc gave an example that Roger Tilbury Park was moved out but there was no milestone reflecting the change.*
 - *Steve explained that the milestones are only reflective to the previous schedule and since Roger Tilbury Park was not slated to start in the previous quarter, there was no missed milestone which would not have triggered an exception.*
 - *Marc would like to see an exception for any kind of meaningful shift.*
 - ***Fred Meyer would like to see the asterisk be removed next to the project name.***
 - ***The committee suggested that the font be larger.***

- **Wendy Kroger would like to make sure the timeline is on a quarterly basis.**
- **Wendy would like the milestones listed and questioned the concept of “project redirection”.**
 - *Steve explained that the project might need to take an alternative path, thereby delaying the project slightly.*
 - *Doug Menke, General Manager, gave an example regarding Rock Creek Trail. He explained that through public input and concern, it was prudent that staff listen to the public, review the alignments and speak with additional agencies to get the correct information then bring it back to the community and ultimately wind up with a great end product although it knocked the project off schedule a little.*
- **Anthony Mills noted that the gray bars in the background make it harder to read. He asked if the gray shading could be in between the projects while the project bars are on a white background.**
- **The committee agreed that this timeline was much more clear and useful along with using the exceptions narrative.**
- Steve clarified staff time allocation noting that the Planning and Development Department hired 3 temporary planners with the goal that they would be working solely on bond projects. Steve explained that the reality is that there have been other projects that have come up that need to be worked on. For instance, the District has been successful in receiving funding from grants in the last few years, before the bond was approved, but the funding was not available until now. Now that the funds are available staff time has to be reorganized which may result in some bond projects being slightly delayed, as shown on the graphic timeline.

Agenda Item #6 – Land Acquisition Report

- Hal Bergsma, Director of Planning, spoke about land acquisition and passed around multiple handouts including a land acquisition spreadsheet.
 - **Hal shared that the District has just purchased two properties, one a trailhead property and the other a neighborhood park. He explained that both properties were slated for development and with the economic downturn the District was able to purchase them at a good price. He noted that these properties were purchased but will not be developed at this time. \$1.2 million is available to acquire land or easements for trails and/or linear park. The future trailhead property was purchased using those funds as directed by the Board. The future neighborhood park was purchased with designated bond funds for neighborhood park acquisition. There are six sites that the bond is targeting at \$1.5 million per site. The particular site that was purchased was less than the \$1.5 million so there may be an opportunity in the future to purchase additional land. Hal noted that the neighborhood park purchase was \$930,000. He gave the caveat that the numbers he references are just the land cost and does not include staff costs, legal costs, due diligence, appraisals, environmental site assessments and site clean up. Hal informed the committee that house demolition and other cleanup would be required on the project adding additional expense to the acquisition.**
 - *Doug Menke, General Manager, clarified that since there is no park development project on the site the funding to remove unsafe/unightly structures will come from acquisition.*
 - **Barbara Wilson asked if the District owned the property between Crystal Creek Park and the newly acquire trailhead property with the hope that a pedestrian or bike trail could provide a connection.**
 - *Hal responded stating that we may be able to acquire the property in the future but it is not a priority at this time.*

- **Wendy Kroger asked if the homes are inhabitable, are they taken down now even though the park will not be developed.**
 - *Hal answered that due to safety the homes need to be removed.*
 - *Jack asked if staff had thought of having the fire district burn them as part of a training exercise.*
 - *Doug mentioned that the District has done that previously and will continue to do so when applicable.*
- **Marc San Soucie, Chair, asked if the column should state completed, on the financial report, since the purchase has been executed.**
 - *Keith Hobson, Director of Business & Facilities, responded that the category of neighborhood park acquisition, as a whole, has not been completed therefore it will not show a completion notation.*
- **Hal noted that the neighborhood site has a wetland with potential mitigation opportunities for other projects.**

Agenda Item #7 – Performance Measurements

- Hal Bergsma, Director of Planning, passed out a packet showing the District’s acquisition and natural resource parameters as well as an amended spreadsheet that the Board of Directors receives each month regarding available properties.
 - **Wendy Kroger asked for clarification regarding natural resources priorities and goals.**
 - *Bruce Barbarasch, Superintendent of Natural Resources & Trails Management, clarified that he uses the guidelines and parameters to research if a property will be a good fit for the District.*
 - **Hal informed the committee that the land acquisition spreadsheet shows different information on properties including but not limited to: public access, quadrant location, trail route, development potential, willing seller, service area location, staff recommendation, priority, etc. The priority is also based on Board direction. Hal mentioned that very rarely is land removed from the list. One that was considered early on but is not feasible is the Nike Woods property.**
 - *Doug Menke, General Manager, added that Board meeting executive sessions are averaging an hour and a half each month and most of that time is devoted to land acquisition.*
 - *Bob Scott reiterated that there is a tremendous amount of time spent reviewing and revising the spreadsheet to find the right properties.*
 - *Marc San Soucie, Chair, and the committee agreed, would like to make sure there are indicators of change on updated spreadsheets in order to show trends.*
 - *Barbara Wilson mentioned that the packet is so large and uses a lot of paper, she wondered if there is any way to just provide rows that have changed.*
 - *The committee agreed that receiving a spreadsheet showing rows that have changed on a yearly basis would be beneficial.*
 - *Anthony Mills wondered if it would be beneficial to add a sale price and the acreage.*
 - *Hal mentioned that listing the acreage was considered but decided against due to the concern of identifying the site. He mentioned that there are very few large parcels available which may give away the location.*
 - **Hal mentioned that there are two more acquisitions that will likely occur in the next month for a community park site and a linear park/natural area site.**
 - **Barbara questioned whether or not contact was made for the Nike site. She wondered if Nike might be willing to sell a portion of their site. She believes that it would not hurt to call Julie Brimm Edwards to put the District on their radar and if Nike ever intends to**

develop the property they may be willing to give the District a piece closest to the Tualatin Hills Nature Park. Her concern is that even though there are no plans for development, the District may not hear about development plans until they are completed.

- *Hal mentioned that the value of the property was much more than the District could afford, therefore, no contact was made.*
- *Doug included that a contact was made in 2007 and was not successful in getting an audience.*
- ***Barbara asked Hal why there were cost overruns on the Cobb Property***
 - *Hal explained that the assumption is to buy a piece of property at a certain size. Now that land values have gone down it has allowed the District to buy more land, if available. The other aspect is that there isn't always a piece of property that fits exactly into the size range that is expected. The Cobb Property was larger than expected but became available and had many other attributes that made it a great site. With staff recommendation and the Board's direction, staff purchased a larger site. There was also local share money used from the City of Beaverton and Metro. He further explained that part of the property may have to be sold back for development, but the District would still retain a parcel large enough for a neighborhood park. It is assumed that all of the revenues from a sale would go back into the bond acquisition fund.*
 - *Doug added that a lot of acquisition is opportunity driven.*
 - *Hal added that if there is overspending in one quadrant, there would be less spending on another quadrant.*
- ***Marc mentioned that the task for the committee is to look at and review the spreadsheet, come back to the next meeting and discuss how the committee believes this can help reporting as well as questions and possible modification requests.***

Agenda Item #8 – Plan for Next Meeting

- Marc expressed that there are three major missions for the next meeting: 1) continue to review the details and formats of the reports and come up with ideas/suggestions or decide that the format is satisfactory; 2) review the details and ask questions; 3) think about how the committee is going to report to the public on the progress and satisfactory completion of the objectives of the bond for the next year. Members need to start thinking about the report format and how the committee would like to measure progress.
 - ***Wendy Kroger believes the committee should contact the advisory committees.***
 - ***Jack Platten also would like the NAC's and/or CPO's to give input.***
 - ***Anthony Mills would like to make sure the committee direction is falling in the purview of the Bond Oversight Committee mission.***
 - ***Barbara Wilson wondered if the staff feels burdened by the committee's requests.***
 - *Doug Menke, General Manager, stated that staff is not burdened, but he does also appreciate the committee's patience for staff to get the forms correct.*
 - *Anthony Mills added that the hard work is evident.*
 - ***Keith Hobson, Director of Business & Facilities, included that if the committee is interested in further details of financial reports they can contact him for information or set up an additional subcommittee meeting if desired.***
- Marc let the committee know that the next meeting, in three months, will be targeting the fourth Thursday of the month. He asked if any members felt there should be an additional subcommittee meeting in between.
 - ***Wendy believes that performance measures should begin to be reviewed.***

- *Jack, Wendy, Barbara and Marc agreed to possibly have a brainstorming subcommittee meeting regarding performance measures.*

Agenda Item #9 - Adjourn

- There being no further discussion, the meeting was adjourned at 8:05pm.

Transcribed by,
Nicole Paulsen,
Recording Secretary