



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

A Regular Meeting of the Tualatin Hills Park and Recreation District Board of Directors was held at the HMT Recreation Complex, Peg Ogilbee Dryland Training Center, 15707 SW Walker Road, Beaverton, on Monday, January 12, 2009. Executive Session 6:30 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	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,
- To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed, 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 legal and land 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 7:10 p.m.

Agenda Item #3 – Action Resulting from Executive Session

Bill Kanable moved the Board of Directors authorize staff to complete the acquisition of the subject property in the Park District's northwest quadrant as a donation. **John Griffiths** seconded the motion. Roll call proceeded as follows:

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

The motion was UNANIMOUSLY APPROVED.

Agenda Item #4 – Presentations

A. City of Beaverton Mayor Rob Drake Recognition

Doug Menke, General Manager, introduced former City of Beaverton Mayor, Rob Drake, to be recognized for his career in public service to the community as Beaverton's Mayor for the past 16 years. Doug noted that under Rob's leadership, the City of Beaverton has been a great partner with the Park District on events such as the Mayor's Picnic in the Parks and Beaverton Celebration Parade, as well as on properties such as Memorial Park and the acquisition of Mount Williams. Doug noted that Rob has always recognized that parks and recreation are a key to the quality of life in Beaverton and thanked him for his years of support.

- ✓ President, Larry Pelatt, echoed Doug's remarks and thanked him for the fantastic partnership.

Rob thanked the Board of Directors for the recognition and described his many years of involvement with the Park District, which started as a basketball coach in high school and included running for a seat on the Park District's Board of Directors.

Agenda Item #5 – Audience Time

There was no testimony during Audience Time.

Agenda Item #6 – Board Time

There were no comments during Board Time.

Agenda Item #7 – Consent Agenda

Bill Kanable moved the Board of Directors approve Consent Agenda items (A) Minutes of December 8, 2008 Regular Meeting, (B) Monthly Bills, (C) Monthly Financial Statement, (D) Aquatics Advisory Committee, Jenkins Estate Advisory Committee & Trails Advisory Committee Members, (E) Contract Award for Energy Savings Performance Contract, and (F) Special Procurement Procedures for Pre-qualifying Architecture and Engineering Consultants for Bond Projects. Bob Scott seconded the motion. Roll call proceeded as follows:

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

The motion was UNANIMOUSLY APPROVED.

Agenda Item #8 – Unfinished Business

A. 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:

- Parks Bond Citizen Oversight Committee
 - Joe Blowers and Bill Kanable volunteered to serve on a subcommittee to review the Parks Bond Citizen Oversight Committee applications in order to form a recommendation to the full Board in preparation for appointment of the Committee at the February 2, 2009 Regular Board meeting.
 - ✓ Doug confirmed that the subcommittee would be provided with all of the applications after the January 23, 2009 application deadline.

- Urbanization Update
- Legislative Update
- Urban Renewal
- Fiscal Year 2009-10 Budget Process
- Inclement Weather Closures

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

President, Larry Pelatt, asked whether many patrons attempted to visit Park District facilities in spite of the inclement weather closure announcement.

- ✓ Mike Janin, Superintendent of Security Operations, confirmed that there were a few patrons who came to the facilities.
- ✓ Jim McElhinny, Director of Park & Recreational Services, noted that there can be some confusion when a late opening requires staff to report to work in the morning, but morning programming is cancelled. Better communication is being addressed.

Agenda Item #9 – New Business

A. 2008 Bond Measure Outline

Doug Menke, General Manager, introduced the following Park District staff to provide overviews of the memos included within the Board of Directors information packet: Steve Gulgren, Superintendent of Planning & Development; Bruce Barbarasch, Superintendent of Natural Resources & Trails Management; Hal Bergsma, Director of Planning; and Keith Hobson, Director of Business & Facilities.

Steve Gulgren, Superintendent of Planning & Development, provided a detailed overview of the memo regarding the Bond Program Project Schedule included within the Board of Directors information packet, noting that the consulting firm of MacKay & Sposito, Inc. has completed the Bond Program Project Schedule and the Bond Program Delivery Plan. Steve noted that the Bond Program Delivery Plan is included within the packet, as well as two project timelines, one for Planning Department projects and the other for Natural Resources Department projects, which are user-friendly companion documents to the complete Bond Program Project Schedule.

Steve provided a detailed overview of the Planning Department project timeline and Bruce provided a detailed overview of the Natural Resources project timeline via a PowerPoint presentation of the information included with the Board of Directors information packet, noting that there will be a lot of interdepartmental coordination on the projects.

- ✓ Doug noted that the intent is to keep a high level of integrity for each of the projects. If a construction project triggers mitigation requirements at a site that also has a Natural Resources bond component, that Natural Resources project would not be used in order to complete the mitigation requirements; rather, the mitigation requirements would be completed as a complement to that project from its budget.
- ✓ Doug provided a brief overview of the Natural Resources component of the bond measure, noting that \$12 million has been promised for Natural Resources projects. The target for acquisition of natural areas is 70% of those funds, with the remaining 30% for restoration projects, some of which would occur on new properties yet to be purchased, as well as on existing, targeted sites.

President, Larry Pelatt, commented that some of the planning stages shown on the timelines seem lengthy.

- ✓ Bill Kanable noted that this may be due to the number of projects being planned simultaneously.

Larry asked whether the planning stages could be reduced if an additional planning position was added to the three planners and one office technician currently proposed.

- ✓ Steve replied that staff had asked the consultant this question and they stood by the proposed timelines. He noted that if project stages could be completed faster than scheduled, they would be. There will be some projects that take less time than anticipated and others that will take longer due to unforeseen circumstances.
- ✓ Doug confirmed that the timelines are fairly liquid, noting that the master planning process is a very engaged process due to the level of public involvement. He noted that the Park District's level of public engagement is well above what is required by the overseeing agency and that an additional step in the process is the involvement of the Board of Directors, as each master plan will need Board approval.

Larry asked how the Parks Bond Citizen Oversight Committee will fit into this process.

- ✓ Doug replied that staff envisions the Oversight Committee at the 50,000 foot level, while the Board of Directors would be at the 10,000 foot level. Input from the Board is needed as to the level of engagement desired from the Oversight Committee and staff will be bringing recommendations to the Board regarding the various areas that the Oversight Committee could be involved. However, a lot of their work will be geared toward finance oversight and ensuring that the Park District is staying on budget within the broader categories. For example, next month, staff will present to the Board consideration of criteria to use if an entire project category is completed on budget and there are contingency funds left over. This is one of the recommendations staff would like the Board to review, which would then be brought to the Oversight Committee, which would in turn make a recommendation to the Board as to how they envision the access to those funds. The level of involvement for the Oversight Committee includes ensuring that the Park District has strong criteria with which to manage areas of concern that may develop. In addition, not every project will be within budget, which presents another criteria to consider of accessing additional funds.
- ✓ Keith noted that if the Oversight Committee is to ensure the Park District's accountability of the results of delivering on the bond measure projects, to that extent it is going to be a backward-looking committee to make sure that what has been done is consistent with the bond measure. Park District staff does expect the Oversight Committee to be somewhat involved in the processes that are used, but not on a project-by-project level or to the extent of involving project schedules or timelines. Another key area the Oversight Committee may be involved in, as was Metro's committee, is considering performance measures and how to assess the results in delivering the bond measure projects.

Larry expressed concern that there is an impression among some of the Park District's constituency that the Oversight Committee would be involved on a project-by-project basis. He noted that the presentations to the public on the bond measure accentuated a high level of openness, transparency and communication and he believes that this is, in part, why the measure succeeded. He encouraged the development of a plan in how to address public comments on specific aspects of the bond measure, such as input regarding project timelines.

- ✓ Doug noted that he has spoken with many of the Oversight Committee applicants and has been very direct in using the example that the Oversight Committee will not have purview as to where the park bench goes in the park that is being designed; their purview will be to ensure that the Park District is delivering the product that was put before the voters. The Park District was very specific in its communication with the public regarding the oversight components of the measure prior to it passing and this information has not changed.

Larry noted that he only wants the Park District to think ahead as to how to address those individuals who want to become involved in the measure on a project-by-project basis.

- ✓ Bill replied that the Board will have to be very clear that specific project management is not even the Board of Director's jurisdiction. The Board's job is not to run the Park District and neither is it the job of the Oversight Committee.

Larry agreed, noting that he wants to make sure that the entire Board feels the same way.

- ✓ John Griffiths commented that the Oversight Committee is the "Bond Oversight Committee", not the "Bond Project Oversight Committee", and is going to be positioned at the bond level as an advocate to ensure that spending takes place in the promised categories.

Joe Blowers asked whether there is a geographic component to the Oversight Committee's purview.

- ✓ John replied that if the categories are geographic, then yes.

Bill recited the charge of the Oversight Committee as a focus on the overall delivery of bond measure obligations and not specific projects or activities. He noted that this needs to be made clear again when the Oversight Committee is appointed and that Park District staff should be available to assist them in the process.

- ✓ Doug noted that Keith Hobson, Director of Business & Facilities, and Hal Bergsma, Director of Planning, have been assigned to the Oversight Committee as liaisons. He encouraged Larry Pelatt, as President of the Board, to attend the Oversight Committee's orientation meeting.

Larry stated that he would be happy to attend, noting that the purpose of his initial comment was to ensure that the entire Board was on the same page.

Doug noted that one of the critical key issues relayed to the consultant in the development of the Bond Program Project Schedule was to get as many user-oriented projects online as quickly as possible. Obviously, the land component is critical to those projects, as the projects cannot be built until the land is available to be built upon.

Hal Bergsma, Director of Planning, provided a detailed overview of the memo regarding the Bond Measure Land Acquisition Program included within the Board of Directors information packet, noting that of the \$100 million in bond measure funds, approximately \$33.6 million is programmed for land acquisition. In determining how to achieve the acquisition objectives, Hal provided an overview of the following programming issues to be addressed:

1. How should the Park District schedule expenditure of acquisition funds, given that property acquisition timing is not something that can be predicted with certainty?
2. How should the Park District determine which properties to pursue for acquisition?
3. Which properties should receive the highest priority for acquisition?
4. Who should be assigned responsibility for pursuing and processing land acquisitions using bond measure funds?
5. How can the Park District assure its patrons that acquisition funds are being spent wisely?

Hal offered to answer any questions the Board may have.

Bob Scott expressed agreement with including the entire \$33 million of land acquisition funds in the first bond issue, as well as with the comments regarding land values and the opportunities available in the current economic climate.

- ✓ Larry expressed agreement with Bob's comments, noting that while land values are volatile and the Park District does not want to overpay for property, likewise the Park District needs to be ready to seize the opportunity if a property becomes available at a good price and not delay in order to see if the price gets better.

Joe noted that whatever it takes for the Park District to be nimble is what needs to be done, whether that is an additional land acquisition specialist and working with The Trust for Public Land, combined with wisdom and foresight. He complimented Hal on the memo.

John asked, if all of the land acquisition funds are frontloaded into the first bond issue, does this require that the Park District frontload the spending of it as well?

- ✓ Keith replied that at the time the Park District sells the bonds, it needs to have a reasonable expectation to spend 85% of the amount issued within three years.
- ✓ Doug commented to keep in mind that two planned land purchases are of substantial sites, one for \$5 million and the other for \$10 million.
- ✓ Keith noted that as long as the Park District's assumptions and expectations are valid, there is no penalty if something happens and the Park District is unable to meet the 85% requirement. In addition, the bond funds issued are not earmarked for specific projects, so even though the intent would be to use \$33 million for land acquisition, those funds could also be used for other bond projects if necessary, with the difference being made up in the next bond issue.

John noted that he was thinking in terms of the possibility of a double-recession in that if the recession goes on longer than anticipated, land prices will get even more favorable. However, if the Park District feels like it is in a hurry to spend the funds, he recommends that there be some reserve capability as well. In addition, he suggested that another Board of Directors land tour be arranged in order to view some of the potential acquisition sites.

- ✓ Hal replied that a land tour might be done eventually, but that the initial focus will include a review of comprehensive site maps and photos.

Keith Hobson, Director of Business & Facilities, provided a detailed overview of the memo regarding current municipal bond market conditions included within the Board of Directors information packet, noting that according to the Park District's financial adviser, municipal bond issues are starting to come back into the market place and demand is slowly increasing. In addition, he provided an overview of a first draft cash flow schedule via PowerPoint presentation, a copy of which was entered into the record. He noted that Park District staff will be meeting with the Park District's financial adviser next week in order to determine a final recommendation for the size of the first issue, which is expected to range between \$51 and \$59 million. Keith noted that if the Park District were to sell its bonds today, the rates would be well within the original projections used for the bond measure.

Larry asked if the Park District would be AAA-rated for the bond issuance.

- ✓ Keith replied that Park District staff will likely insure the issue to get a AAA-rating and that the Park District would still go through the credit rating process. He noted that the Park District is not a large enough agency to be a AAA-rated agency, but that it should be able to get second or third-tier and that it will be insured in order to get the AAA-rating, which is included within the cost of the bond.

John asked what the benefits would be if the Park District were able to issue the bonds at a significantly lower interest rate than forecasted.

- ✓ Keith replied that the debt service would be less than the projection and, therefore, the tax rate to the taxpayers would be less than projected. There would be no financial benefit to the bond project funds.

B. Resolution Establishing Bond Capital Project Fund and Appropriation of Necessary Funding for the Fiscal Year Commencing July 1, 2008

Cathy Brucker, Finance Manager, provided a brief overview of the memo included within the Board of Directors information packet, noting that staff is requesting Board approval of a resolution to establish the Bond Capital Project Fund and appropriate the necessary funding in both the Bond Capital Project Fund and the General Fund for the current fiscal year. Cathy noted that the resolution included within the information packet establishes the Bond Capital Project Fund and lists the necessary appropriations to ensure proper accounting of all revenue and expenditures. The General Fund appropriation is based upon additional staffing beginning April 1, 2009, and will recover the appropriate portion of Planning's professional services from the bond funds. Cathy noted that this will properly appropriate and account for the funds as required by State Budget Law and Generally Accepted Accounting Standards and offered to answer any questions the Board may have.

Bob Scott asked if the appropriation for the Planning staff being hired would be done by the Board on an annual basis or if it would happen automatically from here on out.

- ✓ Cathy replied that it would be on an annual basis within the budget process from this point forward. The resolution is to allow the appropriation to hire the positions as of April 1, 2009 and pay them throughout the rest of the fiscal year.

Bill Kanable asked for confirmation that funding would be transferred out of the bond funds in order to reimburse the general fund allocations.

- ✓ Cathy confirmed this.

Bill Kanable moved the Board of Directors approve the resolution establishing the Bond Capital Project Fund and appropriation of necessary funding for the Fiscal Year Commencing July 1, 2008 within the Bond Capital Project Fund and General Fund. Joe Blowers seconded the motion. Roll call proceeded as follows:

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

The motion was UNANIMOUSLY APPROVED.

C. Draft FY 2009-10 Park District Goals & Objectives Development

Doug Menke, General Manager, noted that using the Strategic Plan contained within the Park District's Comprehensive Plan, as well as items carried forward from the FY 2008-09 Goals & Objectives, staff has identified some priority objectives and action steps for FY 2009-10, which are intended to serve as a starting point for the development of the Park District's Goals and Objectives by the Board of Directors. Doug noted that a key emphasis has been put on the bond measure within the proposed Goals & Objectives, as well as areas for improvement in the day-to-day management of operations. Doug noted that after the Board's comments are received this evening, staff will bring back a final document for the Board's adoption at the February Board meeting.

Bob Scott noted that while he realizes that the goals are not in priority order, he would like to propose that certain goals be moved to reflect more accurately the Board's priorities for the bond measure. He suggested that Goal 4 be reordered as Goal 2, and that Goal 5 be reordered as Goal 3. He noted that his intent is not to arrange the goals in a priority order, but rather to provide consistency when comparing the Goals & Objectives to the priorities of the Park District's bond measure.

✓ Joe Blowers asked whether the goals correspond with the Comprehensive Plan. Doug confirmed this, noting that the goals are not prioritized within the Comprehensive Plan either so it is the Board's prerogative as to whether to reorder them.

✓ Bill Kanable and Larry Pelatt expressed agreement with the proposed change.

Joe commented that the proposed Goals & Objectives were well thought-out and well written. He referenced Goal 7, Action Step 4, and asked if it is referencing the task force recently approved by the Board to review the advisory committees' structure.

✓ Doug confirmed this.

Joe noted that the action step does not read very clearly as to what initiative is being referenced.

✓ Bill noted that it makes more sense when read in conjunction with the redline of the Goals & Objectives provided to the Board, but that it could use some clarification.

John Griffiths noted that he does not see much mentioned in the proposed Goals & Objectives regarding collaboration with other agencies and private organizations. He noted that the Park District needs to leverage its bond funds against additional available outside funds, such as grants, in order to realize a value greater than \$100 million for the bond projects. While he understands that the Park District is entering a phase where it needs to be more internally focused due to the sheer number of projects coming online, he believes the Park District also needs to stay focused on regional issues and take advantage of the outside funding and extra help the Park District could get on the bond projects. He noted that in the past, there have been Goals & Objectives pertaining to being partners with Metro, noting that the Park District should be able to create even more ties with Metro, especially now with the bond measure funds.

✓ Joe noted that under Goal 6, there is an objective regarding continuing to pursue partnerships, but the action step is more focused on sharing resources. He wonders if that would be an appropriate place to add an additional line.

John replied that language needs to be added specifically relative to the bond measure in terms of leveraging those funds.

✓ Doug referenced Goal 4, Action Step 1, noting that this may have been overlooked due to the text not being redlined.

John replied that two items to consider adding are working with Metro relative to their bond measure on the natural area portion of the Park District's bond measure, and leveraging Metro trails and roadway dollars for the Park District's bond measure trail projects.

✓ Doug noted that staff will review the Goals & Objectives for an appropriate location for these suggestions.

John commented that the Park District now has funds to bring to the table in order to attract other money, which is always a better situation when pursuing grants and partnerships.

Larry referred to Goal 3, noting that he would like to see a reference to maintaining the Park District's recreation centers to high standards as well, although he realizes that the Park District currently does this.

Larry referred to Goal 5, noting that he would like to see a reference in terms of access to Tri-Met and destination points in relation to the Park District's trails system. He noted that a question was recently asked about how the Park District coordinates its trails with Tri-Met. In addition, he would like to see more about the concept of being able to walk to certain destinations, such as the grocery store, via a trail, similar to what is being discussed in the planning of the North Bethany area.

Agenda Item #10 - Adjourn

President, Larry Pelatt, noted that the Board of Directors appreciates the number of Park District staff in attendance this evening and thanked staff for their time.

There being no further business, the meeting was adjourned at 8:25 p.m.

Larry Pelatt, President

Bob Scott, Secretary

Recording Secretary,
Jessica Collins