



REPORT TO COUNCIL

DATE: December 20, 2018

TO: City Council

FROM: Bond Oversight Committee

SUBJECT: Accept the Year Three Bond Oversight Committee Report on the \$68 Million Parks 2014 General Obligation Bond (Report)

We are pleased to submit for your consideration and acceptance the Year Three Bond Oversight Committee Report. The purpose of this report is to reflect on the progress of the Parks Bureau as they carried out the third year of the 2014 Parks Replacement Bond.

Individual City Council members appointed members of the Committee to represent the larger Portland community. To carry out this purpose, the Committee meets quarterly with Parks Bureau staff to discuss and review progress on Bond projects, challenges that have arisen, changes in project scopes, schedules and budgets, and other pertinent information related to the 2014 Parks Replacement Bond. This Report evaluates the Parks Bureau in three categories:

- 1) Adherence to the language of the Bond;
- 2) Fiscal accountability; and
- 3) Transparency.

The full report, attached to the Council packet as Exhibit A, will be shared with the Parks Board and the Bond Team. This version will be available online. Printed copies will be available upon request.





PORTLAND PARKS & RECREATION

Healthy Parks, Healthy Portland

The Bond Oversight Committee will continue to meet throughout the fourth year of the Parks Replacement Bond and report back on an annual basis to the City Council.

Sincerely,

Karen Loper Tracy, Jonath Colón, Ken Richardson, Zari Santner, Jan Mason
Bond Oversight Committee Members

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Portland, Oregon 97204
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PORTLANDPARKS.ORG
Commissioner Nick Fish
Interim Director Kia Selley

PARKS REPLACEMENT BOND

ParksReplacementBond.org





BOND OVERSIGHT COMMITTEE

Portland Parks & Recreation

ANNUAL REPORT

2017-2018

FOREST PARK, LOWER MACLEAY TRAIL

Portland City Council, and Portland voters, passed the Parks Replacement Bond in 2014 calling for a five-person oversight committee to annually report on progress of bond projects to the Council. Three committee members, Jonath Colon, Karen Loper and Zari Santner, have been reappointed for another term. Janice Mason has also been appointed and fills a seat held by former chair Dion Jordan. The committee thanks Mr. Jordan for his time and energy while serving on the committee.

The committee continues to receive quarterly updates in person, via emails and on the Parks Bond website from staff of Portland Parks & Recreation (PP&R). As established in our first report, the committee receives information in three major categories:

- Adherence to Bond language;
- Fiscal accountability; and
- Transparency.

The committee thanks Commissioner Fritz for leadership and active engagement since the inception of the Bond program. For the 2018-2019 fiscal year, Commissioner Fish assumes Council leadership for PP&R including this program. We are pleased to submit the committee's annual report to the public and Council for the 2017-2018 fiscal year.



BOND OVERSIGHT COMMITTEE

From front to back row, left to right, – Zari Santner, Janice Mason, Jonath Colón, Karen Loper Tracy, and Ken Richardson

OBJECTIVE 1—ADHERE TO THE LANGUAGE OF THE BOND



Definition: Deliverables are based on the promises contained in the language of the voter's pamphlet.

BONDS TO FIX PLAYGROUNDS; TRAILS; IMPROVE PARK FACILITIES; SAFETY, ACCESSIBILITY.

QUESTION: Shall Portland fix, improve park facilities by issuing bonds estimated to maintain current tax rate; require audits and public oversight? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

SUMMARY: Measure would authorize \$68,000,000 in general obligation bonds for Portland Parks & Recreation facilities. Because previous bonds are scheduled to be repaid, City's parks bond tax rate is not expected to increase from current rate of \$0.0877 per \$1,000 of assessed value.

Third Year Status: Phase 1 and 2 projects totaled 52 projects. By close of the third fiscal year 13 Phase I projects were completed raising the total completed Bond projects to 21. There are 31 projects underway.

Year Three Project Updates as of June 30, 2018

- Fix or improve 10 to 20 play areas that were closed, at risk of closure, or deficient
STATUS: Seven playground improvements design documents completed with three underway.
- Fix or improve trails and bridges in parks and natural areas
STATUS: Two trail projects are completed with four trails/bridge projects underway.
- Fix or improve swim pools including Matt Dishman, Peninsula, and Grant
STATUS: Three pool projects completed. Peninsula Pool mechanical repairs are underway.
- Fix or improve restrooms, roofs, structures, and equipment
STATUS: 12 of 24 projects including restroom additions and other facility improvements are complete.
- Fix or improve Pioneer Courthouse Square's failing structures, leaks and cracks
STATUS: Project is complete and opened to the public.
- Fix or remove barriers to accessibility for people with disabilities
STATUS: Mt. Tabor Park handrails are complete. Multnomah Arts Center Cottages and East Portland Community Center are planned to be completed in Phase 2
- Improve Park maintenance facilities to address worker safety and efficiencies
STATUS: Staff facilities at Mt Tabor Yard and Delta Park are expected to be completed in 2020.
- Funds are for repairs and other capital costs, not operation. A five-member oversight committee will review Bond expenditures and provide annual reports. Bonds may be issued in multiple series; audits required.
STATUS: Audit of the Bond Program performance will be completed in 2018. The report will examine and report on adherence to the language of the Bond and promises made to Voters. Early reporting indicates administrative costs are well below the targeted 10% budget. The Bond Oversight Committee is confident that tax payer money is being spent wisely and the Bond project implementation is on budget and schedule.

OBJECTIVE 2—MAINTAIN FISCAL ACCOUNTABILITY



Definition: Maintain fiscal accountability as a core driver. Bond dollars are clearly and separately tracked. Ensure integrity and accuracy of financial statements.

PP&R remains fiscally accountable of Bond dollars with a separate tracking system accessible to all staff, and administrative overhead is below the 10% total budget goal. Budgets are on target in all categories except pools. PP&R is confident other non-general fund dollars and the Bond contingency fund will cover the cost overrun.

Portland's robust economic recovery continues to impact project bidding. Rising construction costs and tightened labor market presents a challenge for project budgets. By breaking some projects into smaller jobs, PP&R could utilize more local businesses and minority contractors. The City's D/M/W/ESB program encourages hiring Disadvantaged, Minority, Women-Owned, and Emerging Small Businesses with a goal of 20% utilization. PP&R utilized 34% of businesses in these categories for professional services and 46% in construction, exceeding the city's goal.

The total allocation for Phase 1 projects was \$47.6 million of the \$68 million bond. Phase 2 project scopes and budgets were prepared in fiscal year 2016-2017 for the remaining \$20.4 million, including a \$2 million contingency. All Phase 2 projects are currently underway.

Mid-term audit serves as a progress review and written summary of adherence to the language of the Bond. The review will include decision making structures, program activities and spending, report and financial accounting, contracts, and detailed project analysis of Argay, Pioneer Courthouse Square and Lents Parks' projects.



PIONEER COURTHOUSE SQUARE DURING CONSTRUCTION



WASHINGTON PARK ROSE GARDEN ACCESSIBILITY IMPROVEMENTS



MARY RIEKE FIELD IMPROVEMENTS

OBJECTIVE 3—BE TRANSPARENT WITH THE COMMUNITY



Definition: Act in a way that promotes equity, participation, accountability, and engenders trust.



GLENHAVEN PUBLIC OUTREACH EVENT

The Oversight Committee is interested in PP&R's outreach efforts for the Bond Program's success. Outreach and participation by diverse members of the community will help build trust in this \$68 million program. The Oversight Committee values community input and believes that greater involvement will assure Bond funds are distributed equitably citywide.

This third year celebrated numerous park openings. Many included activities to engage park users such as:

- Argay Tennis Courts offering free lessons before ribbon cutting.
- Reaching and listening to Portlanders from various communities through Community Engagement Liaisons (CELs) and PPR's Community Engagement staff.



ARGAY PARK TENNIS COURTS OPENING CELEBRATION

Using asset management evaluations and public input, the Phase 2 Bond project list was approved by Portland City Council in June 2017. As the Bond wraps its third year, outreach has continued and has included thirty open house, PAC meetings, and other community meetings. PP&R also utilized online comment forms, email notifications, the Nextdoor App, and the PP&R Facebook account to engage the community.



LENTS PARK PLAYGROUND OPENING CELEBRATION

The committee previously recommended strategic public outreach with metrics on communication and transparency. Some highlights from the survey* are:


- 83% of people surveyed have heard about the Parks Replacement Bond
- 42% agreed more social media would improve transparency
- 56% would like to hear about the Bond program by email newsletter
- 45% rated Bond transparency as Good/Very Good

** Distributed by print, web, email and social media channels in English and Spanish*

For more information on the Parks Replacement Bond, please visit parksreplacementbond.org. If you have feedback or would like to contact the Bond Oversight Committee, please email Elizabeth Specht at elizabeth.specht@portlandoregon.gov or call 503-823-5561.

Agenda No.
REPORT
 Title

Accept the Year Three Bond Oversight Committee Report on the \$68 Million Parks 2014 General Obligation Bond (Report)

INTRODUCED BY Commissioner/Auditor: Commissioner Fish	CLERK USE: DATE FILED <u>DEC 11 2018</u>
COMMISSIONER APPROVAL Mayor- Finance and Administration - Wheeler Position 1/Utilities - Fritz Position 2/Works - Fish <i>SMS for Nick Fish</i> Position 3/Affairs - Saltzman Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By:  Deputy
BUREAU APPROVAL Bureau: Parks & Recreation Bureau Head: Kia Selley (Interim Director) <i>Kia Selley</i> Prepared by: Robin Laughlin Date Prepared: November 1, 2018	ACTION TAKEN: DEC 20 2018 ACCEPTED
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan	
Council Meeting Date <u>12/19/18</u>	<i>12/20/18</i>

AGENDA TIME CERTAIN <input checked="" type="checkbox"/> Start time: <u>10:45 AM</u> <i>2:20 PM</i> Total amount of time needed: 15 minutes (for presentation, testimony and discussion)	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:																		
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