



# BOND OVERSIGHT COMMITTEE

Portland Parks & Recreation

# ANNUAL REPORT 2018-2019

NORTH PARK BLOCKS PLAYGROUND DEDICATION

Portland City Council and Portland voters passed the Parks Replacement Bond in 2014 calling for a five-person oversight committee to review expenditures and provide annual reports. The 2018-2019 Bond oversight committee consists of Jonath Colón, Karen Loper Tracy, Zari Santner, Ken Richardson, and Janice Mason.

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

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

We are pleased to submit the committee's annual report for the 2018-2019 fiscal year. This is the fourth year that the Bond Oversight Committee has served. Bond updates and information provided to the committee were coordinated and well communicated by the PP&R team.

Sincerely, BOC

Jonath Colón, Karen Loper Tracy, Zari Santner,  
Ken Richardson, Janice Mason.



## 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.

**Fourth Year Status:** All 52 Bond projects are underway or complete. During the fourth fiscal year, 12 projects were completed raising the total completed Bond projects to 34. There are 18 projects currently underway. A total of \$40.8 million dollars has been spent to date.

### Year Four Project Updates as of June 30, 2019

- Fix or improve 10 to 20 play areas that were closed, at risk of closure, or deficient  
**STATUS:** Five playground improvement construction projects are completed, four in construction, and two more are going to construction in 2020.
- Fix or improve trails and bridges in parks and natural areas  
**STATUS:** Two trail projects are completed with four trails/bridge projects underway and scheduled for completion in 2019.
- Fix or improve swim pools including Matt Dishman, Peninsula, and Grant  
**STATUS:** Three pool projects completed. Peninsula Pool mechanical repairs are anticipated to conclude in 2019.
- Fix or improve restrooms, roofs, structures, and equipment  
**STATUS:** 21 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:** Projects at Washington and Mt. Tabor Parks are complete. Projects at Multnomah Arts Center Cottages and East Portland Community Center are underway.
- Improve Park maintenance facilities to address worker safety and efficiencies  
**STATUS:** Staff facilities at Mt Tabor Yard and Delta Park are underway and expected to be completed in 2021.
- 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 was completed in 2019. The audit provided three specific findings and indicates that the Bond Program has been successful in delivering on the promises made to the community:
  1. The funds are being spent in a manner that adheres to the language of the Measure.
  2. The Program is operating in a fiscally responsible manner.
  3. The existing documentation systems are transparent in place and operating well.

Continued reporting indicates administrative costs are well below the targeted 10% budget, coming in closer to 4.3%. 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 within the 10% total budget goal. Budgets are on target in all categories except pools and maintenance yards. PP&R is confident other non-general fund dollars and the Bond contingency fund will cover the cost overruns in those categories and is exploring use of interest earnings to deliver all projects.

The City's D/M/W/ESB program encourages hiring Disadvantaged Business Enterprises, Minority-owned, Women-owned, and Emerging Small Businesses with a goal of 20% utilization. Many of the firms hired for Bond work hold multiple certifications. Where firms were certified DBE and MBE or DBE and WBE, the numbers are combined below for clarity.

- 41% of the value of all Bond project construction contracts have been awarded to D/M/W/ESB firms
  - 18% MBE/DBE
  - 18% WBE/DBE
  - 5% ESB
- 31% of the values of all professional services awarded to Bond projects were D/M/W/ESB
  - 10% MBE/DBE
  - 9% WBE/DBE
  - 12% ESB

The Performance Audit findings state that the Bond Program is operating in a fiscally responsible manner, including maintaining fiscal accountability as a core driver, ensuring Bond dollars are clearly and separately tracked, and ensuring integrity and accuracy of financial statements.



COUCH PARK PLAYGROUND OPENING CELEBRATION



GABRIEL PARK PLAYGROUND OPEN HOUSE



GLENHAVEN PARK PLAYGROUND CONSTRUCTION



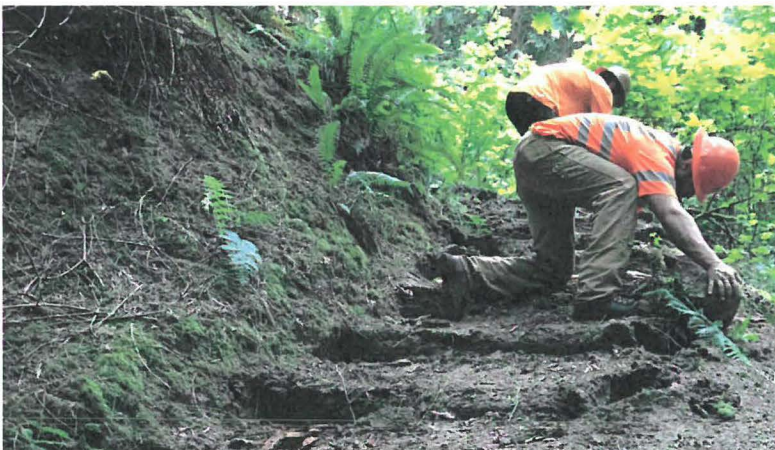
## OBJECTIVE 3—BE TRANSPARENT WITH THE COMMUNITY



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



KENTON PARK PLAYGROUND DEDICATION



MARSHALL PARK BRIDGE CONSTRUCTION



PENINSULA PARK SWIM POOL CONSTRUCTION

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.

In response to the Oversight Committee's recommendation to gauge the public's perceptions of the Bond Program's openness and transparency, PP&R completed an on-line survey. The survey results were generally positive and indicate the Bond Program is on-track with regards to transparency. In response to community feedback, PP&R has increased social media posts to reach a wider audience.

In the Fourth year there is much to celebrate including the start of construction on playgrounds at Gilbert Primary, Glenhaven and Lynchview Parks; playground renovations were completed at Kenton Park and North Park Blocks; an inclusive playground was opened in Northwest Portland at Couch Park; design began on an inclusive playground at Gabriel Park in Southwest Portland; and twelve playgrounds had new play pieces installed.

The BOS is pleased that PP&R has followed the suggestion to set aside adequate Program contingency funds. This approach will help ensure adequate project funding as the Bond Program finishes out the final projects.

We recommend the final performance audit take place after all the Bond projects reach final completion. PP&R should provide a copy of the audit report to the BOS and to City Council.

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





## **REPORT TO COUNCIL**

**DATE:** January 15, 2020

**TO:** City Council

**FROM:** Bond Oversight Committee

**SUBJECT:** Accept the Year Four Bond Oversight Committee Report on the \$68,000,000 Parks 2014 General Obligation Bond (Report)

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We are pleased to submit for your consideration and acceptance the fourth Bond Oversight Committee Report. Individual City Council members appointed members of the Committee to represent the larger Portland community in overseeing PP&R's delivery of the Bond work. To carry out this purpose, the Committee meets regularly with Parks Bureau staff to discuss and review progress on the 2014 Parks Replacement Bond work.

The Oversight Committee's Report evaluates the work performed by the Parks Bureau in three categories:

- Adherence to the language of the Bond Measure;
- Fiscal accountability; and
- Transparency.

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

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

Sincerely,

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




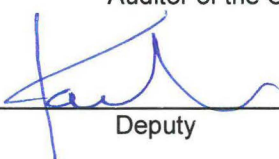

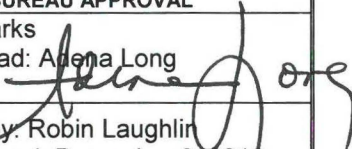
Agenda No.

**REPORT**

Title

million

Accept the Year Four Bond Oversight Committee Report on the \$68,000,000 Parks 2014 General Obligation Bond (Report)

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Commissioner Fish</b> <b>Wheeler</b>	CLERK USE: DATE FILED <u>JAN 07 2019</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance & Administration - Wheeler 	Mary Hull Caballero Auditor of the City of Portland  Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish 	
Position 3/Affairs - Hardesty	
Position 4/Safety - Eudaly	
<b>BUREAU APPROVAL</b> Bureau: Parks Bureau Head:  Arena Long	<b>ACTION TAKEN:</b> JAN 15 2020 <b>ACCEPTED</b>
Prepared by: Robin Laughlin Date Prepared: December 3, 2019	
<b>Impact Statement</b> Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
<b>City Auditor Office Approval:</b> required for Code Ordinances	
<b>City Attorney Approval:</b> required for contract, code, easement, franchise, charter, Comp Plan	
Council Meeting Date: <b>January 15, 2020</b>	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
<b>TIME CERTAIN</b> <input checked="" type="checkbox"/> Start time: <u>10:30</u> <u>9:45</u> <b>Total amount of time needed: 15 minutes</b> (for presentation, testimony and discussion)	1. Fritz	1. Fritz	<input checked="" type="checkbox"/>
<b>CONSENT</b> <input type="checkbox"/>	2. <u>Vacant</u>	2. <u>Vacant</u>	
<b>REGULAR</b> <input type="checkbox"/>	3. Hardesty	3. Hardesty	<input checked="" type="checkbox"/>
<b>Total amount of time needed: 0</b> (for presentation, testimony and discussion)	4. Eudaly	4. Eudaly	<input checked="" type="checkbox"/>
	Wheeler	Wheeler	<input checked="" type="checkbox"/>