



FIVE-YEAR PARKS LEVY:

Facilities and services enhanced,
but ballot title misleading

A REPORT FROM THE CITY AUDITOR
February 2009



Office of the City Auditor
Portland, Oregon



CITY OF
PORTLAND, OREGON

OFFICE OF THE CITY AUDITOR
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February 3, 2009

TO: Sam Adams, Mayor
Nick Fish, Commissioner
Amanda Fritz, Commissioner
Randy Leonard, Commissioner
Dan Saltzman, Commissioner
Zari Santner, Director, Bureau of Parks & Recreation

SUBJECT: *Audit – Five-Year Parks Levy: Facilities and services enhanced,
but ballot title misleading (Report #371)*

Attached is Report #371, containing the results of our audit of the 2002 parks levy, including our analysis of levy spending by the Bureau of Parks & Recreation.

Commissioner Dan Saltzman and Parks & Recreation Director Zari Santner have submitted written responses to the audit, and we have included their written responses at the back of this published report.

In the report we make a recommendation to City Council, and as a result we ask Council to provide us with a status report within one year on the implementation or resolution of the recommendation.

We appreciate the cooperation and assistance we received from Bureau of Parks & Recreation staff as we conducted this audit.


GARY BLACKMER
City Auditor

Audit Team: Drummond Kahn
Doug Norman
Meredith Gray
Fiona Earle
Martha Prinz

Attachment

FIVE-YEAR PARKS LEVY:

Facilities and services enhanced, but ballot title misleading

Summary A five-year local option levy approved by voters in November 2002 generated about \$54 million in property taxes from FY 2003-04 through FY 2007-08. This temporary tax increase was dedicated to park and recreation services and helped the City avoid making reductions in park maintenance and recreation programming. The levy also paid for some new construction and expansion of existing facilities, including two new skateboard parks, an expanded community center, and a new swimming pool.

While capital improvements were the Parks Bureau's first priority in spending levy funds, this intent was not communicated to voters. The text of the ballot title clearly stated that the levy would enhance park maintenance and recreation services, but did not mention spending on new construction. In addition, the explanatory statement said levy funds could only be used for purposes stated in the ballot language.

The City Attorney's Office has concluded that spending levy proceeds on capital projects was allowable. Nevertheless, it does not appear that voters were sufficiently informed of the City's intention of spending a significant portion of levy funds on capital improvements. The difference between spending money on maintenance as opposed to capital is important. While maintenance spending can keep parks operating, capital spending on new facilities increases maintenance spending requirements. Thus, new facilities create additional ongoing maintenance expenses because the Parks Bureau needs to maintain both existing and new facilities.

In addition, there were delays and increased costs in completing some of the levy-funded capital projects. For example, construction of the new aquatics facility at the East Portland Community Center has been delayed over a year, and levy funds spent on the project will

increase by 55 percent, from a planned \$5.3 million to \$8.2 million. Levy spending on the renovation of the University Park Community Center increased from a planned \$5.3 million to \$6.4 million (+21 percent).

While we noted some variations between planned and actual levy expenditures, we believe levy spending has been generally consistent with the Parks Bureau's original plans. In addition, the Bureau placed high priority on public involvement and incorporating sustainability practices. However, the ballot title language may have prevented voters from making an informed decision about the levy. Also, the increase in operation and maintenance costs created by the levy-funded capital projects could make the challenge of facing the current downturn in the economy more difficult. Once levy proceeds are exhausted, Council has agreed to replace, with General Fund dollars, about \$5.4 million in annual operating costs funded by the levy, as well as assume about \$1 million in increased operation and maintenance costs created by the levy-funded capital projects.

We encourage the Bureau of Parks of Recreation to work with City Council to clarify spending priorities for facilities, weighing the need to maintain existing facilities against the desire or demand for new facilities. In addition, we recommend that:

- City Council ensure that all future ballot measures are prepared such that wording of the ballot title clearly communicates the purposes and intent of each proposed measure, with wording that is consistent with the ordinance or resolution that refers the measure to voters.

Background

Due to revenue shortfalls, the Bureau of Parks and Recreation experienced a \$2.2 million budget reduction in FY 2002-03. To avoid ongoing service reductions from these budget cuts, the Parks Bureau asked Council to refer a temporary tax levy to voters dedicated to funding park and recreation services. Council passed Resolution 36088, which referred a five-year local option levy to voters in the November 2002 election. (See Appendices A and B for copies of the ballot title and Resolution 36088, respectively.) Voters approved the

five-year levy of \$.39 per \$1,000 in assessed value, which would provide an estimated \$49 million in new taxes from FY 2003-04 through FY 2007-08. Levy proceeds were dedicated to the maintenance and repair of park facilities and the funding of recreation programs. Details on how the levy was to be spent were listed in Exhibit A of Resolution 36088 (see Figure 1).

Figure 1 Proposed yearly allocation of 2002 local option levy revenues

\$2.2 million	Restore FY 2002-03 budget cuts to parks and recreations services
\$1.05 million	Provide access to recreational programs for children, families, & seniors Restore summer playground programs; provide additional after-school programs and outreach to youth at community schools, community centers, and SUN schools; provide schools with funds for after-school clubs and mentoring activities; increase access to recreation programs for all – improve recreation programming and outreach aimed at seniors and increase inclusion assistance for disable citizens participating in recreational activities.
\$3.95 million	Provide safe places to play Replace unsafe play structures and remove lead base paint; improve safety through regular mowing, irrigation, and maintenance of play fields at schools and parks; build and maintain two new neighborhood skateboard areas; replace deteriorating infrastructure at Wilson Pool; finish renovation of the University Park Community Center (UPCC); build a swimming pool at the East Portland Community Center (EPCC); operate improved facilities at the UPCC and EPCC; Park security – improve Park Ranger patrols at Eastbank Esplanade and other Central City parks.
\$1.9 million	Restore, renovate, and continue to maintain the parks system Basic park maintenance – keep restrooms open and clean, remove litter, maintain shrub beds and grounds, provide safety checks on play equipment, replace bad sprinklers, and maintain off-leash areas. Recreational facility maintenance – improve energy efficiency, fix leaks, replace broken fixtures, paint, upgrade mechanical systems, and maintain newly renovated facilities. Urban forest – provide safety checks, hazard removal, and replace damaged trees. Natural areas and trails – protect wildlife habitat and water quality, control erosion, restore damaged trails, and improved access to trails. O’Bryant Square Renovation – address infrastructure needs, design and programming of this downtown plaza, currently a major public safety challenge. Maintenance facilities – replace or renovate park maintenance facilities, provide safe electrical and plumbing systems, adequate lighting and space, and compliance with building and environmental codes.

Source: Exhibit A of City of Portland Resolution 36088, adopted on July 24, 2002

The parks levy had two primary components – operating and capital. Approximately \$5.4 million per year was allocated to operations, including park and facility maintenance and recreation programming. About \$3.8 million per year was allocated to seven specific capital improvement projects. In addition, these capital projects would increase Parks Bureau operation and maintenance (O&M) costs by about \$790,000 per year, and levy funds would pay these added costs for five years following each project’s completion. At the end of the levy, City Council committed to replacing the levy funds with General Fund dollars, including the \$5.4 million per year in operating costs and the increased O&M costs. Figure 2 summarizes the total forecasted cost of each capital project, including the increase in annual O&M costs.

Figure 2 Planned spending on capital projects

	Project	Planned Spending on Construction/ Renovation	Increased Annual O&M Costs¹
1.	Renovate/Expand University Park Community Center	\$5,309,136	\$120,000
2.	Construct New Aquatics Facility at East Portland Community Center	\$5,309,136	\$569,000
3.	Renovate Swimming Pool At Wilson High School	\$3,052,753	\$2,000
4.	Construct Two New Skateboard Facilities	\$530,914	\$83,000
5.	Replace Unsafe Play Structures	\$796,370	\$ 0
6.	Replace/Renovate Parks Bureau Maintenance Facilities	\$1,990,926	\$16,000
7.	Renovate O’Bryant Square	\$1,061,827	\$ 0
	TOTAL	\$18,051,062	\$790,000

Source: Bureau of Parks and Recreation financial records

¹ Dollars represent 2002 forecasts and are not adjusted for inflation.

Objective, Scope, and Methodology

The objective of this audit was to determine if 2002 parks levy funds were spent as intended and according to authorizing documents. To achieve this objective, we reviewed the 2002 parks levy ballot measure, Resolution 36088, which referred the levy to voters, and related documents. In addition, we obtained revenue and expenditure data from the Bureau of Parks and Recreation and compared actual expenditures to spending forecasts. We obtained detailed information on capital improvement projects accomplished with levy funds and compared actual completion costs and timeframes to planned costs and timeframes. We also performed a limited assessment of efforts taken by the Bureau of Parks to communicate with the public on levy progress and to engage in sustainability practices in levy-funded capital projects.

We interviewed Parks Bureau managers and staff responsible for the administration of the parks levy fund. We examined financial records maintained by Parks Bureau staff and reviewed levy status reports and other levy-related documents prepared by the Bureau of Parks and Recreation. We also interviewed the Office of Management and Finance's budget analyst for the Parks Bureau and asked for clarification from City Attorney staff on spending authorized by the local option levy.

We interviewed project managers of capital improvements funded by the levy, and visited various facilities constructed or renovated with levy funds. We visited City parks, community centers, play fields, and other sites, and interviewed Bureau recreation and maintenance personnel about services restored or enhanced through the 2002 parks levy.

We issued an audit report in September 1998, *Parks Bond Construction Fund: Status of Improvement Projects*, concerning a \$58.8 parks bond approved by voters in November 1994. The Parks Bureau previously addressed the recommendations we made in our 1998 report, which were: (1) develop and implement a comprehensive capital project planning and estimating model that incorporates all costs, and (2) revise the project planning and estimating model when significant timing or scope changes are proposed. We did not perform detailed work on the Bureau's capital project management procedures during

this audit. Nevertheless, we asked the Bureau to provide its current status with respect to our 1998 recommendations. We have attached the Bureau's written response as Appendix C.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit was included in the City Auditor's FY 2007-08 Audit Schedule.

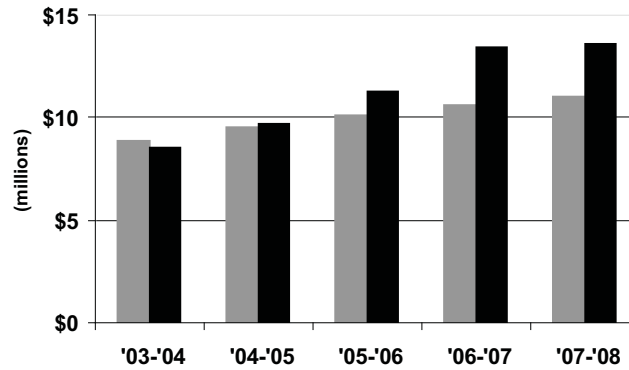
**Revenues up, spending
down**

Due to improving economic conditions and relaxed tax compression (i.e., a decline in competing tax measures), the City collected about \$54 million in taxes from the 2002 parks levy, instead of the projected \$49 million. In addition, spending of levy proceeds lagged behind original forecasts, increasing the amount of interest earnings generated by the Parks Levy Fund. The lag in spending occurred partly because of delays in completing capital projects. (See Figure 3.)

Figure 3 Parks levy revenue and expenditures planned vs. actual, FY 2003-04 to FY 2007-08

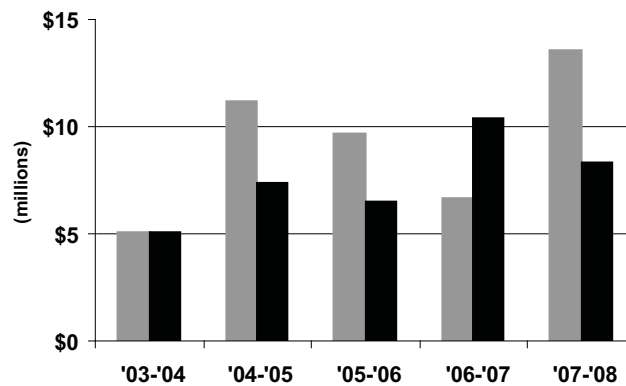
Levy revenue

■ planned ■ actual



Levy expenditures

■ planned ■ actual

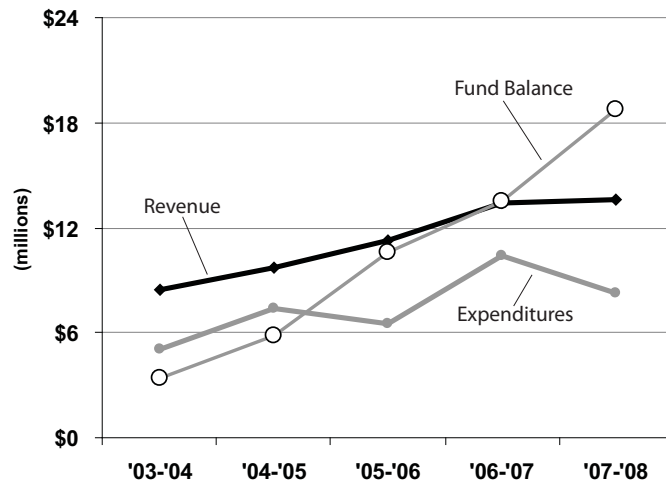


Source: City of Portland audited financial statements for FY 2003-04 through FY 2006-07, Finance reporting system for FY 2007-08, and Parks Bureau 2002 levy forecast.

Note: Revenues include tax collections, interest earnings, and a \$779,000 transfer from the Portland Parks Trust Fund. Levy expenditures will continue beyond FY 2007-08, supporting Parks Bureau operations in FY 2008-09, completing outstanding capital projects, and paying the first five years of increased operation and maintenance costs of levy-funded capital projects.

As shown in Figure 4, the gap between actual revenues and expenditures resulted in a growing fund balance, which reached a high of \$18.8 million at the end of FY 2007-08. Part of this fund balance was planned in order to pay for the first five years of increased operation and maintenance costs resulting from levy-funded capital projects. The remaining portion of the fund balance will be used to continue support of Parks Bureau operations in FY 2008-09 and to complete outstanding capital projects.

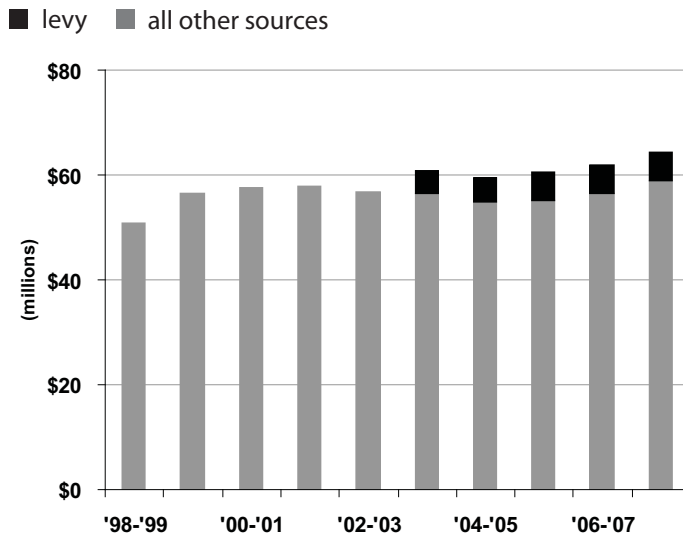
Figure 4 Parks levy revenues, expenditures, and fund balances FY 2003-04 to FY 2007-08



Source: City of Portland audited financial statements for FY 2003-04 through FY 2006-07; City Analysis and Reporting System for FY 2007-08.

A primary purpose of the levy was to restore Parks Bureau budget cuts from FY 2002-03. As shown in Figure 5, the levy allowed Bureau spending to exceed levels of the previous five years.

Figure 5 Parks Bureau operating expenditures: levy vs. all other sources FY 1998-99 to FY 2007-08



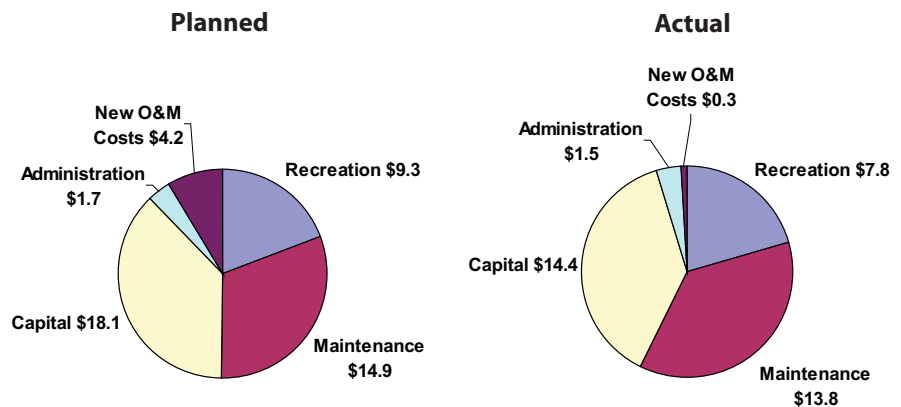
Source: City financial reporting system

Note: All years adjusted for inflation to FY 2007-08 dollars

Parks maintenance and recreation services enhanced

The Parks Bureau accomplished much of what it planned to with the 2002 parks levy. Through FY 2007-08, the Bureau spent about \$7.8 million dollars to restore and enhance recreation services, including programs for seniors and people with special needs, after-school mentoring and tutoring, summer playgrounds, community schools, and outreach services. The Bureau spent about \$13.8 million to enhance park and facility maintenance services, including painting and mechanical repairs to buildings, increased frequency of basic park maintenance such as litter pickup and restroom cleaning, park security, maintenance and renovation of sports fields, and care of natural areas and trails. (See Figure 6 for a comparison of planned versus actual spending by major category.)

Figure 6 Parks levy spending: planned vs. actual (millions) FY 2003-04 to FY 2007-08



Source: Parks Bureau financial records

Overall, the Bureau spent \$37.7 million in levy funds from FY 2003-04 through FY 2007-08, compared to its original forecast of \$44.5 million, leaving a Parks Levy Fund balance of \$18.8 million on June 30, 2008. The Parks Bureau’s FY 2008-09 adopted budget includes \$12.5 million in levy expenditures to continue support of park and recreation services, and to complete some levy-funded capital projects.

Levy spending from FY 2003-04 through FY 2007-08 varied from what the Parks Bureau planned in some activity areas, as shown in Figure 7. Levy funds going to park security increased by 59 percent, from a planned \$455,322 to \$725,530. The Bureau anticipated spending

\$520,500 on increased operation and maintenance costs created by levy-funded capital projects, but spent only \$275,228 during the five-year period. This drop occurred largely because of delays in the completion of several projects.

Figure 7 Variation in planned vs. actual spending of levy funds: selected activities (FY 2003-04 to FY 2007-08)

Service Area	Planned Spending	Actual Spending	Percent Change
Parks security	\$455,322	\$725,530	+59%
Buckman Pool	\$425,103	\$327,185	-23%
After-school programs and outreach	\$2,162,781	\$1,627,264	-25%
Irrigation repairs / hauling support	\$330,676	\$235,320	-29%
Park basic maintenance	\$910,644	\$533,354	-41%
O&M impact of capital projects	\$520,500	\$275,228	-47%
MLC Pool	\$338,457	\$177,405	-48%

Source: Parks Bureau financial records

The MLC Pool and Buckman Pool received 48 percent and 23 percent less levy spending, respectively, than originally planned by the Parks Bureau. Spending on irrigation repairs and hauling support was 29 percent less than planned, while spending on after-school programs and outreach was 25 percent less than originally planned.

A complete listing of 2002 parks levy spending – planned and actual – is presented in Appendix D of this report.

Delays and increased cost of capital projects

The Parks Bureau identified seven capital projects it wanted to fund with the 2002 parks levy. Figure 9 summarizes the scope and status of the seven projects. Completion of some projects was delayed and required significantly more levy funds than originally planned. For

Figure 8 Wilson Pool renovated with 2002 parks levy funds



Photo: Audit Services Division

example, completion of the new aquatics facility at the East Portland Community Center has been delayed over a year and, including the \$5 million budgeted in FY 2008-09, the amount of levy funds spent on the project will increase by 55 percent, from a planned \$5.3 million to \$8.2 million. The size and complexity of the project increased with the approval of City Council. In addition, contractual difficulties delayed construction for several months, which in turn impacted the cost of construction.

Levy funds used to renovate the University Park Community Center also increased significantly, from a planned \$5.3 million to \$6.4 million (+21 percent). The project was delayed in order to coordinate with other planned community activities. In addition, some delay and increased costs resulted from the discovery of contamination (oil drums) found beneath the surface of the construction site.

On the other hand, only about \$128,000 of a planned \$1.1 million dollars had been spent on the O'Bryant Square renovation through FY 2007-08. The project is on hold pending agreement on project design and efforts to secure additional funding, which may include urban renewal funds and contributions from private developers.

The Bureau planned to spend \$2.0 million of levy funds on the renovation or construction of Bureau maintenance facilities, but spent little on the project through FY 2007-08. The Bureau plans to use levy funds in FY 2008-09 to renovate an existing building on McLoughlin Boulevard in Milwaukie to serve as a new maintenance facility in Southeast Portland.

Figure 9 List of levy-funded capital projects

Renovate/expand University Park Community Center (UPCC)¹

Project Scope: Bring UPCC into compliance with seismic and other building codes, and update plumbing and electrical service. New double-court gymnasium, fitness room, dance aerobics room, teen lounge, computer lab and classroom, new classrooms, Loaves and Fishes, senior lounge, senior dining, new office space, new central lobby and front desk, pre-school, and small gym/auditorium.

	Planned	Actual
Levy Spending:	\$5,309,136	\$6,370,105
Project Completion:	late-2006	mid-2007

Construct New Aquatics Facility at East Portland Community Center (EPCC)^{1,2}

Project Scope – Construct a new indoor aquatic facility, including lap pool, leisure pool, spa, water slide, current channel, and vortex at EPCC. Also, expand the parking lot and renovate locker rooms.

	Planned	Actual
Levy Spending:	\$5,309,136	\$3,206,223
Project Completion:	late-2007	late-2008

Renovate Wilson Pool

Project Scope – Replace mechanical and electrical systems, build new surge tank, renovate deep pool tank, replace small pool tank with leisure pool, add new water features such as current channel and vortex, replace pool decks, and separate primary utilities from the high school.

	Planned	Actual
Levy Spending:	\$3,052,753	\$3,424,440
Project Completion:	2005	2005

(continued)

Figure 9
(continued)

List of levy-funded capital projects

Construct Two New Skateboard Facilities

Project Scope – Construct a new skateboard facility at Glenhaven Park and renovate and expand the existing skateboard facility at Pier Park.

	Planned	Actual
Levy Spending:	\$530,914	\$591,518
Project Completion:	2006	2007

Replace Unsafe Play Structures³

Project Scope – Replace aging wood play structures and older play equipment testing positive for lead. Also upgrade merry-go-rounds citywide by replacing asphalt surfacing with rubber safety surfacing.

	Planned	Actual
Levy Spending:	\$796,370	\$620,952
Project Completion:	2008	2009

Replace/Renovate Parks Bureau Maintenance Facilities⁴

Project Scope – Renovate and/or construct new Parks Bureau maintenance facilities. Specific projects were not defined at the outset of the five-year levy period. One facility was selected for levy funding – the renovation of a building on Southeast McLoughlin Boulevard in Milwaukie to serve as a Bureau maintenance facility for Southeast Portland.

	Planned	Actual
Levy Spending:	\$1,990,926	\$3,816
Project Completion:	not defined	ongoing

Renovate O’Bryant Square

Project Scope – Address infrastructure needs, design and programming of this downtown plaza, which is considered a major public safety challenge. The project is on hold pending agreement on project design and efforts to secure additional project funding, which may include urban renewal funds and contributions from private developers.

	Planned	Actual
Levy Spending:	\$1,061,827	\$127,613
Project Completion:	not defined	on hold

Source: Parks Bureau records

Note: Actual spending is from FY 2003-04 through FY 2007-08

¹ Project had additional funding sources besides the 2002 parks levy.

² \$5 million has been budgeted in FY 2008-09 to complete the EPCC pool.

³ \$553,630 has been budgeted in FY 2008-09 to continue play structure renovations.

⁴ \$736,314 has been budgeted in FY 2008-09 to renovate the McLoughlin Boulevard building.

Increased operation and maintenance costs

As stated earlier, Council agreed to assume the increase in annual operation and maintenance (O&M) costs created by the capital improvements funded by the levy, beginning five years after the completion of each project. The Parks Bureau originally estimated that the seven projects would result in a total of \$790,000 in increased O&M costs. In inflated dollars, the General Fund will absorb about \$1 million in increased O&M costs annually. Absorbing these costs will occur incrementally as different projects reach their five-year anniversary, with absorption of the entire \$1 million beginning in FY 2013-14.

Figure 10 Glenhaven Park skateboard park constructed with 2002 parks levy funds



Photo: Audit Services Division

Good public Involvement

The Bureau gave high priority to involving the public in the planning and design of the levy-funded projects. Figure 11 describes specific areas of public involvement on each of the capital projects.

Figure 11 Public involvement in levy-funded capital projects

Renovate UPCC – Prior to passage of the levy, a public process was used to establish the scope of the “new” UPCC. The project scope came from input received at cultural theme nights. After passage of the levy, two open houses were held in late 2005 to present floor plans. Newsletters were used to communicate progress of design and construction phases of the project. A web site was also established to provide the public with project updates. An open house celebration in August 2007 was attended by hundreds of children and adults.

New Aquatics Facility at EPCC – Prior to passage of the levy, a public process over two years was used to establish project scope. After passage of the levy, two “stop and talk” informational desks were established at Mall 205 to alert neighbors to the upcoming project. In 2004 and 2005, newsletters were sent to surrounding neighborhoods and distributed through the EPCC. A dedicated informational meeting was held at the EPCC in the summer of 2004 to share pool options. In late 2005, two day-long events were held at the EPCC to prioritize options, validate scoping, and present final design solutions based on input. A “hard-hat tour” was conducted as part of the 4th of July Parade in 2008. A web site has been maintained throughout the project as another source of public information.

Renovate Wilson Pool – The Bureau held periodic meetings with the Hillside Neighborhood Association to discuss project goals and public concerns with construction. A ½ day “pool party” was held at Wilson High School to develop project scope and priorities. Final plans were presented and final comments and input were received at a “stop and talk” presentation at the Southwest Community Center. A “hard-hat tour” held mid-way through construction allowed the public to view project status. A web site was maintained and updated to provide the public with project status.

New Skateboard Parks – Two public meetings were held for both Glenhaven Park and Pier Park. The first meeting allowed stakeholders to provide initial input on skatepark design and other concerns. The second meeting allowed public input on the preliminary design and other concerns, preparatory to finalizing design. Updates were sent to neighborhood associations after the designs were finalized.

Replace Unsafe Play Structures – Neighborhood parents were asked for feedback on the wood play structure components. Lead paint removal was mandated and did not require public input.

Bureau Maintenance Facilities – Bureau staff were involved in the planning process. No citizen input was obtained regarding site location.

Renovate O’Bryant Square – Public input was obtained on project design. The project is on hold pending agreement of project design and the securing of additional funding.

Source: Bureau of Parks and Recreation.

In addition, the Parks Bureau published two status reports on the 2002 parks levy funds in 2005 and 2007. The Bureau also published two-page parks levy “check ups” in 2003 and 2007.

Strong sustainability efforts

The Parks Bureau adopted a Sustainability Plan in November 2007 which includes the following goals:

- Green Building and new technology options are applied to capital building, major park maintenance landscape projects and bureau work practices.
- Toxic and fuel consumptive practices will be minimized for public safety and environmental health.
- Resource conservation – energy, water, stormwater and recycling practices are prioritized and improved throughout the Portland Parks and Recreation system.

Steps taken by the Parks Bureau in completing the levy-funded capital projects are consistent with these goals. Figure 12 summarizes the efforts taken by the Bureau to incorporate sustainable practices in the construction and operation of levy-funded projects.

Ballot title and explanatory statement misleading

The 2002 parks levy ballot title (see Appendix A) stated that levy funds would be used to restore basic park maintenance, correct urgent safety problems, repair playing fields around schools, and restore cuts to after-school tutoring, recreation activities, and the summer playground program. Although the Bureau intended to use levy proceeds for capital improvements, and will spend over \$20 million in levy funds on capital projects, the ballot title failed to mention capital improvements as one of its purposes. In addition, the explanatory statement in the voter’s pamphlet declared:

“Money collected from the Parks levy – approximately \$48 million, averaging \$9.7 million per year – can only be used for purposes stated in the ballot language.”

In response to requests from both Audit Services and the Parks Bureau, the City Attorney’s Office concluded that spending levy funds on capital was permissible.

Figure 12 Sustainable practices on levy-funded capital projects

Renovate UPCC – Followed LEED¹ criteria as much as possible; rainwater reclamation system diverts rain to underground storage tank, which is treated and used for toilet flushing; light and reflective roofing materials minimize heat-island effect; “daylighting” maximized to reduce use of artificial light; renovation of building avoided removal of existing trees and plants; porous paving used at senior center entry; high-efficiency boilers and mechanical equipment; dual-flush toilets promote efficient water use; Solatube skylights over new meeting room to provide more efficient lighting; remote-control energy systems to reduce on-site maintenance visits; over 95 percent of construction materials were from recycling.

New Aquatics Facility at EPCC – Anticipated achievement of LEED Platinum; high-efficient pool filters to save water; light monitors to reduce use of artificial lighting; photo-voltaic array on main roof to reduce energy use; surge tanks to contain most pool water on site; bio-swales and dry-wells to retain stormwater on site; light roofing materials and paving to reduce heat-island effect; remote-controlled energy systems to reduce on-site maintenance visits; and over 96 percent of construction materials recycled.

Renovate Wilson Pool – Old concrete cleaned on-site and reused as fill; solar panels to heat pool’s water; reduced water loss by fixing leaky pipes; remotely controlled energy-control systems; Solatube skylights to provide more efficient lighting.

New Skateboard Parks – Balanced cut and fill included in design to reduce off-site hauling and disposal of existing soil; construction area limited to reduce compaction of existing landscape; preserved existing trees; high standard used for sediment and erosion control; supplemental watering to reduce dust; construction waste recycled; locally produced materials used where possible; stormwater runoff managed by use of dry wells.

Replace Unsafe Play Structures – Lead paint removed from old equipment and safely handled by authorized contractor; recycled old metal equipment.

Bureau Maintenance Facilities – The new facility on SE McLoughlin Boulevard has limited scope with few sustainable opportunities. Nevertheless, recycled paint and high efficiency boilers will be used.

Renovate O’Bryant Square – The project is on hold pending finalization of design and the securing of adequate funding.

Source: Bureau of Parks and Recreation.

¹The Leadership in Energy and Environmental Design (LEED) Green Building Rating System is a third-party certification program and the nationally accepted benchmark for the design, construction, and operation of high performance green buildings.

City attorneys stated that, according to State law (ORS 280.080), the resolution or ordinance referring a levy to voters sets forth the purpose for which tax levy proceeds are to be spent. After evaluating the express language of the measure in context, including the exhibits to Resolution 36088 (see Appendix B) and the voter's pamphlet, the City Attorney's Office concluded that spending levy funds on capital projects was permitted.

Nevertheless, we do not believe the 2002 parks levy ballot title adequately communicated to voters the City's intention of spending a significant portion of levy proceeds on capital projects. We believe the wording of the ballot title should have better reflected the purposes and intent of the levy. Voters might have been led to believe that spending would be limited to restoring and enhancing maintenance and recreation services, especially after reading that levy money "can only be used for purposes stated in the ballot language" in the explanatory statement.

While some communication to the public prior to the November 2002 election (e.g., the September 2002 "PP&R Newsletter") indicated that the Bureau intended to use the levy for capital improvements, some did not. For example, the Neighbors for Portland Parks Campaign distributed a mailer in support of the 2002 levy that stated:

"Measure 26-28 doesn't build anything new.
Instead it protects what we have."

Managers in the Parks Bureau and the City Attorney's Office told us that neither prepared the ballot title. City Attorney staff said that the ballot title was proposed by the former Commissioner-in-Charge. City Code 2.04.120 states:

- "...The ballot title may be prepared by:
- a. the City Attorney at the request of the Council or elected official;
 - b. the Council; or
 - c. an elected City official..."

Conclusions and recommendations

The 2002 parks levy was used successfully to restore and enhance many important parks and recreation services. Levy spending appears to have been generally consistent with the Parks Bureau's original plan for the levy. However, the failure to mention capital improvements as a levy purpose in the ballot title could have been misleading to voters.

In addition, the increased spending on capital projects, and added annual operation and maintenance costs created by these projects, could make the challenge of facing the current downturn in the economy more difficult. City Council is committed to replacing \$5.4 million in annual operating costs funded by the levy, as well as assuming about \$1 million in increased annual operation and maintenance costs created by levy-funded capital projects. We encourage the Bureau of Parks of Recreation to work with City Council to clarify spending priorities for facilities, weighing the need to maintain existing facilities against the desire or demand for new facilities. In addition, we recommend that:

- 1. City Council ensure that all future ballot measures are prepared such that wording of the ballot title clearly communicates the purposes and intent of each proposed measure, with wording that is consistent with the ordinance or resolution that refers the measure to voters.**

Appendix A **Ballot title and explanatory
statement for 2002 Parks Levy**

Online Voters' Pamphlet

November 2002 General Election

CITY OF PORTLAND

Measure No. 26-34

CAPTION: Five-year levy to restore park services, repairs, recreation programs.

QUESTION: Shall Portland repair, restore maintenance to parks, playgrounds, pools; levy \$.39 per \$1,000 assessed valuation for five years beginning 2003? (This measure may cause property taxes to increase by more than three percent.)

SUMMARY: This levy previously won two-thirds voter support in May but could not be put into effect because of inadequate voter turnout.

Since 1997 Portland Parks and Recreation has had to reduce maintenance, repair, safety in parks, playgrounds, play fields, community pools and recreation centers, and reduce park restroom hours because park usage has increased, facilities have aged further, and resources haven't kept up.

Levy funds will:

- Restore basic park maintenance including litter removal, restroom cleaning, mowing, natural area and trail care;
- Correct urgent safety problems with playground equipment, play fields, community centers, pools;
- Repair some playing fields around schools in Centennial, David Douglas, Reynolds, Parkrose and Portland school districts;
- Restore cuts to after-school tutoring, recreation activities, and summer playground program - providing kids safe, constructive places to go.

If levy fails, park cleaning, repairs, recreation programs will not be restored.

The rate is estimated to raise the following revenue: \$8.8 million in 2003-04, \$9.4 million in 2004-05, \$9.9 million in 2005-06, \$10.4 million in 2006-07, and \$10.9 million in 2007-08, for a total of \$49.4 million over 5 years.

Levy is \$.39 per \$1,000 assessed value. A home valued at \$150,000 would pay \$59 per year, \$5 per month.

EXPLANATORY STATEMENT

Portland Parks & Recreation: Part of our lives, every day.

Few things offer as much direct benefit to Portlanders as our Parks and Recreation system. This levy offers a chance to restore and maintain it.

In May, 2002, about 70% of those voting approved the Portland Parks & Recreation local option levy. However, the measure could not take effect because of inadequate voter turnout.

As a result, Parks had to reduce park maintenance and recreation programs by an additional \$2.2 million this summer.

If voters reaffirm passage of the Parks & Recreation levy in the November election, cuts made in parks and recreation this summer will be restored AND we can restore reductions in services made in recent years.

Taking care of our parks and recreation facilities is a big job:

- Inspecting playground equipment everyday at 110 sites;
- Picking up litter (924 annual tons of garbage);
- Cleaning 150 restrooms;
- Mowing almost 1300 acres of grass;
- Caring for 150 miles of trails and pathways and 17 miles of paved roads;
- Over 7 million hours of recreation programs serving children, teens, families and seniors;
- Ongoing maintenance and repair for 13 community centers, 14 swimming pools, one music center, one arts center, The Children's Museum, one cultural center, two tennis centers, one dance studio, and Pittock Mansion.

Parks & Recreation is unable to keep up with demand. Park & Recreation usage is up. We have a larger park system and more to maintain. Resources have not kept up. Services the public depends on have been reduced.

The Parks Levy will restore these cuts, and protect what we have.

The Parks Levy will help local parks and recreation facilities in every neighborhood:

- Restore basic maintenance like litter removal, restroom cleaning, path-clearing, stream protection and grass upkeep-in all 115 Portland parks;
- Reopen closed restrooms.
- Allow urgent safety repairs to playground equipment, including replacement of 41 swing sets with lead-base paint;

- Renovate playing fields by restoring mowing, aeration, top-dressing, and fertilizing;
- Ongoing maintenance of community centers, swimming pools, and picnic facilities;
- Restore recreation programs for all ages, serving 10,000 additional children with organized summer activities;
- Make more programs available for seniors by 25% to meet demand for classes, field trips, and intergenerational events.

The Parks levy will help all five Portland school districts.

Maintenance will be restored to play fields around schools in Portland's five school districts-Centennial, David Douglas, Parkrose, Portland Public, and Reynolds.

What does the Parks Levy cost?

An additional 39 cents per \$1,000 of assessed home value in property taxes. If approved, the typical homeowner pays an additional \$5 per month for five years. (Portland's average home is assessed at \$126,000 with an average market value of \$177,000.)

Money collected from the Parks levy-approximately \$48 million, averaging \$9.7 million per year- can only be used for purposes stated in the ballot language.

Submitted by:

Jim Francesconi,
Portland City Commissioner

Appendix B **Resolution 36088, which
referred 2002 Parks Levy to
voters**

Resolution No. 36088

Refer to the voters, with a revised ballot title, a five-year local option tax levy for parks and recreation purposes. (Resolution)

WHEREAS, the City Council adopted Resolution No. 36073 on May 29, 2002, referring to the November 2002 ballot a five-year local option tax levy for parks and recreation purposes; and

WHEREAS, the ballot title adopted as part of that resolution stated that the measure will allow certain park maintenance services to “continue,” whereas “restore” is a more accurate term, since those services were cut effective July1; and

WHEREAS, other than that wording change in the ballot title, all other aspects of the referral should remain the same as in Resolution No. 36073;

WHEREAS, in order to improve the clarity and accuracy of the ballot title, the referral contained in Resolution No. 36073 should be withdrawn and replaced by the referral contained in this resolution.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTLAND THAT:

1. An Act entitled “A Measure directing a five year local option ad valorem property tax levy within the City of Portland at a rate of \$0.39 per \$1,000 of Measure 50 assessed value, outside certain constitutional limitations, commencing in fiscal year 2003-04, for parks and recreation purposes,” be, and the same hereby is submitted to the legal voters of the City of Portland, Oregon, for their adoption or rejection at the general election in the City of Portland, Multnomah County, Clackamas County and Washington County, to be held on November 5, 2002. Each voter who votes upon said proposed measure shall vote “yes” or “no” in the space indicated for such vote on the City ballot at said election. This Act is attached as Exhibit B, and the ballot language is attached as Exhibit C.
2. The funds collected from the levy shall be placed in the Parks Local Option Levy Fund and shall be expended only for the following parks and recreation purposes:
 - Providing basic maintenance such as clean and open restrooms, litter removal, shrub bed and grounds maintenance, safety repairs to play equipment, replacement of outdated sprinklers and other maintenance functions;
 - Repairing, improving safety and continuing to maintain play fields and play structures;
 - Restoring and increasing safety, security and maintenance of the urban forest, recreational trails and natural areas;
 - Providing security measures for parks and park facilities;

- Restoring and continuing to provide summer and after-school, recreation and tutoring programs for children;
 - Providing recreation programs and opportunities for seniors and people with disabilities;
 - Restoring parks and recreation services, programs and activities, funding for which the Council has reduced from its previously adopted budget for the 2001-02 fiscal year.
 - Restoring, operating, maintaining, renovating and improving parks and recreation facilities and programs;
4. The levy will extend for a period of five years, and it is estimated that the amount received for these purposes will be approximately \$8.8 million in FY 2003-04, \$9.4 million in FY 2004-05, \$9.9 million in FY 2005-06, \$10.4 million in FY 2006-07, and \$10.9 million in FY 2007-08, for a total of \$49.4 million over five years.
 5. The Council acknowledges the need to fund the ongoing operating and maintenance (O&M) cost of the improvements funded by this levy, currently estimated at \$790,000 per year in constant dollars. Portland Parks and Recreation is directed to dedicate \$790,000 per year from the net levy proceeds to provide O&M funding during the first five years after each improvement is built. Portland Parks and Recreation is further directed to work with the Bureau of Financial Planning to refine these O&M estimates and to update the allocation of levy proceeds, if appropriate.
 6. The Council accepts this O&M cost as a future General Fund responsibility after the first five years of levy funding for each improvement, with the General Fund responsibility beginning between the sixth and eleventh years after levy approval. The Bureau of Financial Planning is directed to incorporate the O&M costs into the General Fund financial forecast in the appropriate years, subject to annual review as projects are completed.
 7. The referral contained in Resolution No. 36073 is hereby withdrawn and replaced by the referral contained in this resolution.

Adopted by the Council: JUL 24 2002

Commissioner Jim Francesconi
Gordon Wilson:ns
July 25, 2002

Gary Blackmer
Auditor of the City of Portland
By: /S/ Susan Parsons

Deputy

BACKING SHEET INFORMATION

AGENDA NO. 902-2002

ORDINANCE/RESOLUTION/COUNCIL DOCUMENT NO. 36088

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
FRANCESCONI	X	
POSITION 4 VACANT	-----	-----
SALTZMAN	X	
STEN	X	
KATZ	X	

EXHIBIT A

TO: City Council

FROM: Charles Jordan, Director, Portland Parks & Recreation

DATE: May 22, 2002

Commissioner Francesconi and Portland Parks & Recreation propose for the November 2002 election a five-year local option levy of \$.39/\$1,000 of assessed value. If approved by the voters, this levy will generate approximately \$8.8 million in the first year and an average of \$9.9 million per year after property tax compression, delinquency and discounts. The services and improvements funded through the levy would address major issues outlined in the *Parks 2020 Vision* plan adopted by Council in July 2001, as well offsetting budget reductions for fiscal year 2002-03. The funds would be allocated to address the following:

FUNDING PROPOSAL

1. **Restore 2002-3 budget cuts to parks and recreation services (\$2.2 million/year)**
Without levy funding, the cuts required in order to balance the 2002-03 General Fund budget include the closure of some recreational facilities, the discontinuation or reduction of some community partnerships that provide recreation opportunities for youth, reductions in park amenities available to the public, and the erosion of maintenance of park infrastructure. Levy funding would forestall the need for these reductions.
2. **Provide access to recreational programs for children, families, and seniors (\$1.05 million/year)**
 - Restore supervised summer playground programs to more neighborhoods.
 - Provide additional after-school programs and outreach to youth at community schools, community centers, and SUN schools.
 - Provide schools with funds for after-school clubs and mentoring activities.
 - Increase access to recreation programs for all: Improve recreation programming and outreach aimed at seniors. Increase inclusion assistance for disabled citizens participating in recreational activities.
3. **Provide safe places to play (\$3.95 million/year)**
 - Play structures at schools and parks: Replace unsafe structures and remove lead base paint.
 - Play fields at schools and parks: Improve safety through regular mowing, irrigation and maintenance.
 - Improve skateboarding opportunities for kids: Build and maintain two neighborhood skateboard areas.
 - Wilson Pool: Replace deteriorating infrastructure at Wilson Pool, the City's most popular outdoor pool and the only one on the West side.
 - University Park Community Center: Finish renovation to University Park Community Center. For the part of the building not yet renovated, bring structure into compliance with seismic and other building codes, update plumbing and

electrical service, make the multigenerational space more functional and attractive for seniors, replace gymnasium for youth and adult sports.

- East Portland Community Center Pool: Provide a pool at East Portland Community Center. This will be Portland's only public pool east of 82nd Street, providing aquatics programs to youth, families and seniors in this previously neglected area of the city.
- Operate recreation facilities: Operate improved facilities at University Park and East Portland Community Center.
- Park Security: Improve Park Ranger patrols at Eastbank Esplanade and other Central City parks.

4. Restore, renovate, and continue to maintain our Parks system (\$1.9 million/year)

- Basic Park Maintenance: Keep restrooms open and clean, remove litter, maintain shrub beds/grounds, provide safety checks on play equipment, replace bad sprinklers, maintain off-leash areas.
- Recreational Facility Maintenance: Improve energy efficiency, fix leaks, replace broken fixtures, paint, upgrade mechanical systems, and maintain newly renovated facilities.
- Urban Forest: Safety checks, hazard removal, replace damaged trees.
- Natural Areas and Trails: Protect wildlife habitat and water quality, control erosion, restore damaged trails, improve access to trails.
- O'Bryant Square Renovation: Address infrastructure needs, design and programming of this downtown plaza, currently a major public safety challenge.
- Maintenance Facilities: Replace or renovate park maintenance facilities, providing safe electrical and plumbing systems, adequate lighting and space, and compliance with building and environmental codes.

EXHIBIT B

AN ACT

A Measure directing a five year local option ad valorem property tax levy within the City of Portland at a rate of \$0.39 per \$1,000 of Measure 50 assessed value, outside certain constitutional limitations, commencing in fiscal year 2003-04, for parks and recreation purposes.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF PORTLAND, OREGON

Section 1. Pursuant to Section 7-112 of the Charter of the City of Portland, the Council shall levy for each of five successive years commencing with the fiscal year 2003-04, at the time taxes are levied for the payment of expenses of the City, a special tax at a rate of \$0.39 per \$1,000 of Measure 50 assessed value, on all property in the City of Portland not exempt from taxation. The money shall be expended only for the following parks and recreation purposes: restoring, continuing to provide summer and after-school programs for children; improving safety and maintenance of play fields and play structures; operating, maintaining, expanding and improving parks and recreation facilities and programs; safety and maintenance of the urban forest, recreational trails and natural areas; providing security measures for parks and park facilities; providing recreation programs and opportunities for seniors and people with disabilities; providing basic park maintenance such as clean and open restrooms, litter removal, shrub bed and grounds maintenance, safety checks on play equipment, replacement of outdated sprinklers and maintenance of off-leash areas for dogs; restoration of parks and recreation services, programs and activities, funding for which the Council has reduced from its previously adopted budget for the 2001-02 fiscal year. This local option levy is specifically authorized, and it shall not be counted as within the limitation provided by Section 11 of Article XI of the Constitution of the State of Oregon. This levy shall, however, be subject to proportional reduction under Section 11(11)(c)(B)(i) of Article XI of the Constitution of the State of Oregon. This special tax hereby authorized shall be in addition to all other taxes that may be levied according to law. The proceeds from such levy shall be placed in a special fund to be designated as the Parks Local Option Levy Fund.

EXHIBIT C

Caption

Five-year levy to restore park services, repairs, recreation programs.

Question

Shall Portland repair, restore maintenance to parks, playgrounds, pools; levy \$.39 per \$1,000 assessed valuation for five years beginning 2003? (This measure may cause property taxes to increase by more than three percent.)

Summary

This levy won two-thirds voter support in May but could not be put into effect because of inadequate voter turnout.

Since 1997 Portland Parks and Recreation has had to reduce maintenance, repair, safety in parks, playgrounds, play fields, community pools and recreation centers, and reduce park restroom hours because park usage has increased, facilities have aged further, and resources haven't kept up.

Levy funds will:

- Restore basic park maintenance including litter removal, restroom cleaning, mowing, natural area and trail care;
- Correct urgent safety problems with playground equipment, play fields, community centers, pools;
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- Restore cuts to after-school tutoring, recreation activities, and summer playground program – providing kids safe, constructive places to go.

If levy fails, park cleaning, repairs, recreation programs will not be restored.

The rate is estimated to raise the following revenue: \$8.8 million in 2003-04, \$9.4 million in 2004-05, \$9.9 million in 2005-06, \$10.4 million in 2006-07, and \$10.9 million in 2007-08, for a total of \$49.4 million over 5 years.

Levy is \$.39 per \$1,000 assessed value. A home valued at \$150,000 would pay \$59 per year, \$5 per month.

Appendix C **Current status of
recommendations from audit of
Parks Bond Construction Fund**
(Report #247, September 1998)



PORTLAND PARKS & RECREATION

Healthy Parks, Healthy Portland

Date: September 3, 2008

To: Doug Norman-Principal Management Auditor
Audit Services Division

From: Fred Kowell-Finance Manager
Portland Parks & Recreation Bureau

Subject: Current Status of Recommendations from Audit Report #247,
Parks Bureau Capital Improvement

In conjunction with the audit of the Levy fund and capital projects resulting from the 2004 levy, the Audit Division asked that Parks describe the current policies and procedure as they relates to the recommendations contained in Audit Report # 247 issued September, 1998.

1. Develop and implement a comprehensive capital project planning and estimating model project planning and estimating model that incorporates all costs. Project cost estimates should include evidence that each of the following elements have been considered and included:

a. Construction cost escalation.

Estimates for construction cost escalation should be based on realistic project start dates and reasonable escalation rates. Assumptions about start dates, construction cost escalation rates, and calculations of the amount of escalation should be well documented.

Response 1a.

Parks uses an incremental approach to estimating project cost. Initial estimates of construction cost are made based on preliminary scope. These estimates are refined as more detailed design and design documents become available. In making these estimates, the expected start date and escalated construction costs are included. The budget documents include change columns as more information is known as to the timing of the project and material/labor costs becomes available.

Administration

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Portland, OR 97204
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www.PortlandParks.org
Dan Saltzman, Commissioner
Zari Santner, Director

Sustaining a healthy park and recreation system to make Portland a great place to live, work and play.



b. Program and project contingency funding.

The amount of money set aside in a contingency fund for project changes should be: 1) sufficient to cover unknown situations encountered during construction, based on professional judgement and past experience; 2) well explained and documented; and 3) project specific.

Response 1b

Contingency is built into each individual project budget in Parks. Construction contingency as well as “soft” cost contingencies are calculated with the percentage used derived based on the type of project as well as the stage. Soft cost contingency is set to 10-20% based on the project, while construction contingency is generally established as 10% of the signed construction contract amount. Additionally, scope/estimating contingency is often set to 30% until such time as scope is defined and design is commenced.

c. Project management, planning, and start-up costs.

Costs such as project management, public meetings and involvement, building and land-use permits, other City bureau services and costs, initial furnishings, equipment and supplies, and security systems, need to be estimated and included as part of each project's total cost. Assumptions and calculations for each of these costs should be well documented. They should also be updated as necessary during the planning and design phases of each project.

Response 1c

Each of these cost areas are listed in the standard budgeting schedule used to estimate and track costs. In an attachment, we have provided our current template of Gabriel Skatepark which depicts the different issues that arise in a project and their related costs. As stated previously, incremental columns on the spread sheet are used to update budget at key phases of design, and actual values supplant estimates as information becomes available.

d. Net ongoing operating and maintenance costs.

A detailed, rigorous, and systematic approach to estimating participation, revenues, and expenditures should be developed and implemented. The assumptions, methodology, and calculations should begin with historical experience and be reasonably accurate and well documented.

Response 1d

A detailed operating and maintenance cost estimating program is used to develop expected one time and ongoing O&M costs. This process is coordinated by the Operations Manager for Parks & Recreation. The process of requesting O&M estimates generates a request to each operating and maintenance group who enter in their particular site costs and support information into the program. Estimates are based on the particular configuration of the site, staff needed, and current cost experience. The information is reviewed by Parks Finance and Operations management for completeness and reasonableness.

2. Revise the project planning and estimating model when significant timing or scope changes are proposed. The impact of changes on each of the elements described above should be recalculated, formally reviewed, and approved by the Bureau's capital improvement, administration, operations, and financial staff before changes are implemented. Additionally, the Bureau's 5-year Financial Plan should also be updated to include the estimated impact of any changes.

Response 2

The current process lends itself to revising planning and estimating information as more current information is established. Current practice is to have the Finance group review each major project periodically for revenue/expenditure status as compared to plan, completeness and consistency, and identification of risk elements. Parks Finance and CIP project management work together to provide senior management the information to make decisions regarding the project. Additionally, contracts and change orders require the approval of the Finance Manager who reviews these changes against City's policies as to funding, contracts and whether ordinances must take place before approval is allowed. Any issues are then brought forward to the Bureau Director for direction and approval.

Appendix D **Spending of 2002 parks levy
funds: planned vs. actual**

**Spending of 2002 parks levy funds:
planned vs. actual, FY 2003-04 to FY 2007-08**

	planned spending	actual spending
Recreation		
Community school summer programs	\$324,919	\$287,000
Recreation pass-through funds	\$586,939	\$531,227
Supervision of part-time Aquatics staff	\$189,536	\$207,843
Community schools	\$2,319,533	\$2,250,002
MLC pool	\$338,457	\$177,405
Buckman pool	\$425,103	\$327,185
After-school activity funds for school districts	\$2,030,744	\$1,603,535
Supervised summer playground programs	\$455,322	\$361,574
After-school programs and outreach	\$2,162,781	\$1,627,264
Recreation programs - senior and disabled	\$455,322	\$453,420
Recreation Subtotal	\$9,288,656	\$7,826,455
Maintenance		
Tennis court patching	\$189,536	\$199,501
Repairs to irrigation, fence, asphalt	\$334,336	\$270,386
Irrigation repairs/hauling support	\$330,676	\$235,320
Painting & mechanical repairs to buildings	\$1,118,166	\$1,128,979
Trail and natural area maintenance	\$1,591,991	\$1,363,124
Park tree maint., stump grinding	\$604,084	\$588,171
Diseased elm tree removal costs	\$203,145	\$208,117
Westmoreland casting pond	\$86,645	\$55,494
Park irrigation	\$135,367	\$134,036
Frequency of maint. visits - litter, restroom	\$1,383,516	\$1,427,511
Park maint. supervision, hort. care, basic care	\$969,976	\$1,075,813
Community garden support	\$24,618	\$19,622
Bareroot native plant production	\$171,639	\$187,360
Greenhouse production, plant material	\$232,166	\$223,754
Mowing to non-sports areas	\$767,399	\$772,019
Office support for park maintenance	\$132,036	\$137,024
Continue limited mowing of school fields	\$1,397,152	\$1,430,971
Sports field preparation	\$455,322	\$356,871
Sports field renovations/turf maintenance	\$1,443,371	\$1,145,744
Urban Forest	\$910,644	\$716,732
Recreation facility maintenance	\$1,070,007	\$823,041
Park security and animal control	\$455,322	\$725,530
Park basic maintenance	\$910,644	\$533,354
Maintenance Subtotal	\$14,917,758	\$13,758,474

Spending of 2002 parks levy funds: planned vs. actual, FY 2003-04 to FY 2007-08

	planned spending	actual spending
Capital		
Wilson pool renovation	\$3,052,753	\$3,424,440
UPCC renovation	\$5,309,136	\$6,370,105
EPCC pool	\$5,309,136	\$3,206,223
O'Bryant Square renovation ¹	\$1,061,827	\$127,613
Maintenance facilities replacement/renovation ²	\$1,990,926	\$3,816
Play structure renovations	\$796,370	\$620,953
Skateboard facilities	\$530,914	\$591,518
Peninsula Park Rose Garden	\$0	\$21,063
Capital Subtotal	\$18,051,062	\$14,365,731
Administration		
Park planning capacity	\$313,769	\$352,527
Public information and recreation marketing	\$75,105	\$74,357
Computer replacement funding	\$203,351	\$200,094
Central administrative costs ³	\$1,102,708	\$889,303
Administration Subtotal	\$1,694,933	\$1,516,281
O&M impact of capital projects ⁴	\$520,500	\$275,228
5-YEAR LEVY TOTAL	\$44,472,909	\$37,742,169

SOURCE: Parks Bureau financial records.

¹ The O'Bryant Square renovation project is on hold pending agreement on project design and efforts to secure additional project funding, which may include urban renewal funds and contributions from private developers.

² One facility was selected for levy funding – the renovation of a building on Southeast McLoughlin Boulevard in Milwaukie to serve as a Bureau maintenance facility for Southeast Portland. This renovation is scheduled for completion during FY 2008-09.

³ Central administrative costs include General Fund overhead, public information, and Human Resources/Information Technology/Risk Management interagency expenses.

⁴ The increase in operation and maintenance (O&M) expenses due to levy funded capital improvements grows incrementally as the various projects are completed. The Parks Bureau estimated that levy expenditures on increased O&M will total about \$4.2 million from FY 2003-04 through FY 2013-14. The General Fund will assume the O&M expenses of each project five years after the project was completed.

RESPONSE TO THE AUDIT



CITY OF
PORTLAND, OREGON

Dan Saltzman, Commissioner
1221 SW Fourth Ave., Room 230
Portland, Oregon 97204
(503) 823-4151
Fax: (503) 823-3036
dsaltzman@ci.portland.or.us

January 12th, 2009

Gary Blackmer
Portland City Auditor
1221 SW 4th, Room 130
Portland, OR 97204

Dear Auditor Blackmer,

Thank you for the opportunity to comment on Audit Services most recent work with Portland Parks and Recreation (PP&R), Five-Year Parks Levy: Facilities and services enhanced but ballot title misleading. It is heartening to know that over the past four year PP&R has effectively implemented the commitments City Council made to its citizens and employees.

Your auditors did an excellent job of working with staff in PP&R to identify the numerous projects and ongoing operations/maintenance pieces that were part of the 2002 Parks Levy. As a member of the City Council that forwarded this levy to Portland's voters, I was always cognizant of the multiple goals the funds from this levy were expected to achieve. Among those were both maintenance and operations programming as well as defined capital projects. In my numerous conversations and communications with the public about the implementation of the 2002 levy, I specifically discussed both categories. Many Portlanders made it clear to me that they expected their park system to be maintained at the high level they've come to expect. They also clearly expressed the desire to see new amenities and facilities from the tax dollars they were expending.

Thank you again for you and your staff's diligent work on this important review. We all attempt to serve Portland's tax payers as best we can and work such as this audit will serve the public and future City Councils well.

Sincerely,

Dan Saltzman
DS:mg

Cc: Zari Santner
~~Drummond Kahn~~



PORTLAND PARKS & RECREATION

Healthy Parks, Healthy Portland

January 15, 2009

Gary Blackmer
Portland City Auditor
1221 SW 4th, Room 130
Portland, OR 97204

Dear Auditor Blackmer:

On behalf of Portland Parks & Recreation, I want to thank you and your staff for the audit performed on the Five-Year Parks Levy. We appreciate the positive and candid comments made throughout the entire audit. My staff and I appreciated being engaged with your staff in conducting the audit, and the opportunity to review the draft.

Portland Parks & Recreation has always felt confident that we would meet the objectives of the levy by accomplishing both the operating and capital goals approved by the City Council in Resolution 36088. In addition, with direction and assistance from the Council, we have been able to meet additional community needs related to the specific capital projects included in the levy. As promised to the public, we have fulfilled the levy obligations of restoring and enhancing various programs and services important to our community and for the stewardship of the park system.

We appreciate your acknowledgement of our extensive public involvement process during the implementation of the levy projects. We recognize Portlanders passion for their parks and their role in making Portland a great city. That is why they voted for the Parks Levy and we are happy to know, through the excellent work of your office, that the citizens of Portland continue to give Parks and Recreation high marks on the quality of the city's park system. Portland Parks & Recreation would not have been able to do this without its dedicated staff and volunteers, and the additional resources provided by the Five -Year Parks Levy.

Again, we thank you and your staff for this important review of how we spend our public tax dollars.

Sincerely,

Zari Santner
Director

cc: Comm. Dan Saltzman
Drummond Kahn

Comm. Nick Fish
Fred Kowell

Administration

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Nick Fish, Commissioner
Zari Santner, Director



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*Five-Year Parks Levy: Facilities and services enhanced,
but ballot title misleading*

Report #371, February 2009

Audit Team Members: Doug Norman, Meredith Gray,
Fiona Earle, Martha Prinz

This report is intended to promote the best possible management of public resources.
This and other audit reports produced by the Audit Services Division are available for view-
ing on the web at: www.portlandonline.com/auditor/auditservices. Printed copies can be
obtained by contacting the Audit Services Division.

Gary Blackmer, City Auditor
Drummond Kahn, Director of Audit Services

Other recent audit reports:

*Portland Fire & Rescue: Controlled substances monitoring
falls short of requirements (#364, October 2008)*

*Downtown SmartMeters: Most goals met, but cost-benefits
and reliability need further review (#352B, July 2008)*

*Housing Tax Abatements: Oversight inadequate to ensure
program goals (#362, July 2008)*

*Office of Neighborhood Involvement: Clearer goals
and more comprehensive measures needed to improve
accountability (#363, June 2008)*

