



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

A meeting of the Tualatin Hills Park & Recreation District Board of Directors was held on Tuesday, May 14, 2019, at the HMT Recreation Complex, Dryland Training Center, 15707 SW Walker Road, Beaverton, Oregon. Executive Session 6 pm; Regular Meeting 7 pm.

Present:

Ali Kavianian	President/Director
Felicita Montebianco	Secretary/Director
Wendy Kroger	Secretary Pro-Tempore/Director
Todd Duwe (via phone)	Director
John Griffiths	Director
Doug Menke	General Manager

**Agenda Item #1 – Executive Session (A) Personnel (B) Legal (C) Land**

President Kavianian called executive session to order for the following purposes:

- To conduct deliberations with persons designated by the governing body to carry out labor negotiations,
- To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed, and
- To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Executive Session is held under authority of ORS 192.660(2) (d) (e) and (h), which allows the board to meet in executive session to discuss the aforementioned issues.

President Kavianian noted that the news media and designated staff may attend executive session. Representatives of the news media were directed not to disclose information discussed during executive session. No final action or final decision may be made in executive session. At the end of executive session, the board welcomed the audience into the room.

**Agenda Item #2 – Call Regular Meeting to Order**

A Regular Meeting of the Tualatin Hills Park & Recreation District Board of Directors was called to order by President Ali Kavianian on Tuesday, May 14, 2019, at 7:00 pm.

**Agenda Item #3 – Action Resulting from Executive Session**

**Felicita Montebianco moved that the board of directors deem it necessary to acquire certain real property in the northeast quadrant of the district, as discussed in executive session, in order to preserve important wetlands with a future potential of designing, constructing and maintaining certain public improvements to the establishment of a recreational amenity and thereby providing recreational opportunities for the general public; and delegates to the general manager the authority to approve and execute a purchase and sale agreement or other legal instrument to acquire the Property or to agree or stipulate to a settlement of any eminent domain proceeding, subject to consultation with and approval as to form by district’s legal counsel. The purchase price is not to exceed the amount discussed in executive session. Wendy Kroger seconded the motion. Roll call proceeded as follows:**

John Griffiths                      Yes  
Wendy Kroger                        Yes  
Felicita Monteblanco              Yes  
Todd Duwe                            Yes  
Ali Kavianian                        Yes

The motion was **UNANIMOUSLY APPROVED**.

Wendy Kroger moved that the board of directors authorize THPRD to grant an easement for sanitary and storm sewer and an easement for water quality preservation, storm and surface water drainage to Clean Water Services; a permit of entry and a temporary construction easement to Riverside Homes; and a right-of-way dedication deed and permanent easement for maintenance of a retaining wall to Washington County in the southwest quadrant of the district in exchange for the donation of land in the northwest quadrant, subject to the appropriate due diligence review and approval by the general manager. John Griffiths seconded the motion. Roll call proceeded as follows:

Todd Duwe                            Yes  
Felicita Monteblanco              Yes  
John Griffiths                        Yes  
Wendy Kroger                        Yes  
Ali Kavianian                        Yes

The motion was **UNANIMOUSLY APPROVED**.

**Agenda Item #4 – Presentations**

**A. National Water Safety Month**

Sharon Hoffmeister, Aquatics manager, and Heath Wright, Beaverton Swim Center supervisor, read into the record a proclamation that the Tualatin Hills Park & Recreation District declares the month of May 2019 as National Water Safety Month.

**B. Asian American and Pacific Islander Heritage Month**

Holly Thompson, communications director, and Jaspreet Chahal, community engagement specialist, read into the record a proclamation that the Tualatin Hills Park & Recreation District declares the month of May 2019 as Asian American and Pacific Islander Heritage Month.

**C. Washington County Department of Public Health and Human Services Partner in Public Health Award**

Holly Thompson, communications director, introduced Mjere Simantel, Assistant Director for the Washington County Department of Public Health and Human Services, to present the district with a Partner in Public Health Award.

Mjere explained that the Partner in Public Health Award recognizes an organization or business that has developed innovative public health programs that positively affect the community. THPRD is being honored for its Access for All work, in partnership with the Tualatin Hills Park Foundation, that has worked collaboratively to expand programs and services for people experiencing disabilities. Mjere congratulated the district on the award, noting that the Access for All collaborative investment initiative should be applauded for its work in removing barriers for people experiencing disabilities from participating in recreational opportunities that advance quality of life.

Wendy Kroger commented on the caliber of the other agencies and businesses that were in the running for this award, noting that THPRD was among great company.

### **Agenda Item #5 – Audience Time**

Alan Carpenter, 11730 SW Welch Terrace, Beaverton, is before the THPRD Board of Directors this evening representing the Greenway Residence Group. Mr. Carpenter stated that the Greenway Residence Group feels the need to testify this evening after learning that the group is being portrayed as wanting the park to return to the way it used to be, which is not the case. He described the group as professional, purposeful and focused on immediate solutions for Greenway Park, rather than excuses, such is the case with THPRD and Clean Water Services (CWS). He noted the great services THPRD provides for the community and questioned why Greenway Park and its loop trail is an exception. He referenced the board's adoption of the Greenway Park Concept Plan in August 2018, noting that the plan calls for the district not to maintain the loop trail. He questioned why THPRD would not maintain this trail and suggested that it is because THPRD allowed CWS to spend almost \$500,000 in 2006 to re-channel Fanno Creek and to plant trees. He stated that he has lived in the area since 1981 and that there were no flooding issues in Greenway Park until after the 2006 CWS project, and that there have always been beavers in the park, as well, but the 2006 tree plantings gave them materials to build their dams and increase in population. A video made by THPRD about Greenway Park alludes that THPRD and CWS wanted this to happen, which has resulted in children and adults unsafely crossing Scholls Ferry Road against traffic when the trail and underpass are flooded. He outlined the Greenway Residence Group's requests for the board as follows:

- Reopen and manage the loop trail and Scholls Ferry Road underpass immediately.
- Increase the usage and maintenance of water flow devices.
- Save the Boy Scout bridge until a new one can be built.
- Build up and raise the loop path on Trail #5.

President Kavianian commented that it is unfortunate that the Greenway Resident Group has felt misrepresented, as he sees the group as active individuals that care about their local park and the safety of other users. He described the work THPRD has done to bring the City of Tigard, City of Beaverton, Washington County and Clean Water Services to the table in order to discuss solutions, which will take time. In addition, THPRD has dedicated funding in the upcoming fiscal year budget for improvements at the park and financial support for the park will continue in the future, as well. The district's desire is in finding long-term solutions, not quick fixes. He asked that the group continue to stay engaged and bringing issues to the board's attention.

- ✓ Alan expressed frustration in dealing with these issues for over 10 years and always being told by the district that improvements will possibly happen in the future; especially when, in his view, simple, fast and cost-effective solutions are already available.

Gary Johnson, 11780 SW Welch Terrace, Beaverton, is before the THPRD Board of Directors this evening regarding concerns he has about Greenway Park. Mr. Johnson noted that when he first moved to the area near Greenway Park, all of the trails were open and the only flooding was located approximately a half-mile from Scholls Ferry Road. He used the Fanno Creek Regional Trail every day for commuting and would routinely call Clean Water Services with updates on the water levels of Fanno Creek, who would routinely maintain the waterflow devices, resulting in a trail that was passable almost the entire year. He estimated that around 2010 or 2011 the beavers and their habitat became more important than keeping the trails open for public access. The beavers progressively repopulated the Fanno Creek flood zone, resulting in the trail underpass at Scholls Ferry Road becoming impassable almost the entire year, as is the upper and lower loops trails and two areas south of Scholls Ferry Road. He stated that this situation has continued unabated for several years, noting that the only passable area is south of Scholls Ferry Road where either a beaver dam has been removed or the waterflow devices are being maintained. He stated that it is clear that maintenance of waterflow devices would be sufficient to keep the paths clear of flooding, but that apparently priorities have changed in that maintaining and extending beaver habitat has become more important than maintaining the trails for the public who has paid for them. He asked THPRD to state what its true agenda is and to be honest

about its desired outcomes rather than continue to lead the public along with supposed intentions. He requested that THPRD work with CWS to install and maintain additional waterflow devices in order to resolve the flooding currently being experienced throughout Greenway Park.

President Kavianian inquired whether district staff has an update regarding their work with CWS.

- ✓ General Manager Doug Menke replied that district staff is having consistent meetings with other agency staff on a variety of fronts related to Greenway Park. As previously noted, several improvement projects are included within the upcoming fiscal year's budget. In addition, CWS just started an extensive study of the flooding issues. He described the extensive public outreach process that occurred for the 2006 CWS project that re-meandered Fanno Creek, noting that there was not unanimous public support for any one option, similar to the more recent Greenway Park Concept Plan process on which Mr. Carpenter served on the task force. What is being seen today is the reality of the function of a natural environment, wildlife and significant development in the entire basin.

### **Agenda Item #6 – Board Time**

John Griffiths provide an update regarding the activities of the Nature & Trails Advisory Committee, noting that the committee met recently and spent time developing their work plan, as well as reviewed the Jenkins Estate Concept Plan.

Felicita Montebianco noted that the Tualatin Hills Park Foundation Board of Trustees will be meeting tomorrow, during which they are expected to advance the initiative of hiring an executive director. In addition, she referenced the notes she had shared with the board regarding Metro's upcoming natural areas bond measure, noting that she believes the measure will present a challenge to the district in a good way and that the district will rise to that challenge.

Wendy Kroger provided the following comments:

- Recently attended the Washington County State of the County address, which was held at Conestoga Recreation and Aquatic Center.
- Handed out roses and welcomed guests to the Jenkins Estate's Mother's Day brunch.
- Attended the Tualatin Hills Nature Center's Native Plant Sale.
- Thanked district staff for their efforts on the Voters' Forum and encouraged the continuation of such a platform for future district elections.
- Recently toured district sites with staff, including the Vale Natural Area, Hansen Ridge Park and Westside Trail Segment 18.
- Met with members of the Oakridge Estates Homeowners Association and district staff regarding a trail connection request from their neighborhood to the Westside Trail.
- Complimented staff on the 3,600 learn-to-swim participants for the month of May.

President Kavianian referenced recent national headlines raising concerns about the use of Round Up herbicide. He requested brief comments from district staff regarding the district's current use of this chemical and suggested that the board may wish to have a more thorough presentation and discussion at a board meeting next month.

- ✓ General Manager Doug Menke confirmed that time could be set aside on either the board's June 11 or June 18 meeting agendas for this discussion.
- ✓ Bruce Barbarasch, Nature & Trails manager, noted that district staff will be meeting to discuss what the district's current practices are in terms of the use of herbicides and what tools currently exist for managing weeds, vegetation and pests. Staff will be prepared to present current practices, industry standards and regulations at a future board meeting.

President Kavianian requested that an overview of available alternatives also be provided.

- ✓ Bruce confirmed that this would be provided, as well.

Wendy suggested that the presentation also focus on the district's Integrated Pest Management process as it is a specific practice that may help provide clarification.

- ✓ Bruce confirmed this, noting that there are various factors to weigh when choosing control methods, including aesthetics, cost effectiveness and safety.

President Kavianian commented that he has been receiving feedback from the public regarding dogs off-leash in district parks.

- ✓ Keith Watson, Community Programs manager, provided an overview regarding the district's current initiatives in relation to off-leash dogs in parks, noting that district staff is hearing feedback from the community as well, from both those who want the ability to have their dogs run off-leash in district parks, and others who are opposed to this. He described a public education campaign starting later this month that will include print and social media communications to refamiliarize the community with the area's leash law. Starting in June, Park Patrol will begin presenting positive messaging regarding the leash law to those disregarding that rule in district parks, followed by stepped-up enforcement in July using both Park Patrol and Washington County Animal Control by issuing citations and/or exclusions to repeat offenders. The district is also in the process of launching a pilot project of adding dog runs in some neighborhood parks, which are a smaller version of a traditional dog park. The pilot will hopefully be launched in August, most likely in the Cedar Mill area since there has been a lot of interest expressed in that neighborhood.

Felicita inquired whether there are ways the district could also reward or incentivize good behavior by district dog owners in order to further encourage obeying the leash law.

- ✓ Holly Thompson, Communications director, described the public education campaign about to be launched reminding park users of the leash law, titled Love 'em & Leash 'em, which will be positive, engaging and list multiple reasons why leashing dogs is important, rather than the past practice of simply stating the law. She also described a few other positive outreach methods under consideration, including handing out dog treats to dogs on leash, as well as a light-hearted video posted on social media. Specific signage is also being made for particular sites experiencing a lot of off-leash activity. She noted that Washington County Animal Control has the ability to issue monetary citations and that THPRD has the ability to exclude repeat offenders from district property. These measures would only be used for confirmed repeat offenders.

John relayed public feedback he had received from residents regarding prolific off-leash activity at Bethany Lake Park and along the Waterhouse Trail north of West Union Road. He suggested that signage specific to leash rules may be beneficial at these locations rather than just the district's generic rules signage which includes all park rules and regulations. He noted that the leash law is actually a county ordinance, not just a THPRD rule.

- ✓ Holly noted that the outreach plan as previously described is meant to inform users of the leash law, while also providing more options in terms of the dog runs under consideration.

Wendy added that she, too, has heard comments regarding the same areas mentioned by John and that there is a real sense of urgency amongst the community there. The incidences described surpass dogs simply being off-leash to other park users fearing for their safety. She would like to see targeted enforcement in those areas as soon as possible.

- ✓ Keith Watson confirmed that Park Patrol will be able to target specific areas, but that their capacity is limited in terms of number of staff and the size of the district they patrol.

President Kavianian inquired whether the system development charge annual rate adjustment would be before the board of directors soon.

- ✓ General Manager Doug Menke confirmed this, noting that this agenda item is anticipated for the board's June 18, 2019 meeting.

President Kavianian commented that he, too, attended the Jenkins Estate Mother's Day Brunch to hand out roses and welcome guests and that the event was a great way to profile the estate. He noted that the current concessionaire, Dalton's Northwest Catering, did a fantastic job running the event.

**Agenda Item #7 – Consent Agenda**

Todd Duwe moved that the board of directors approve consent agenda items (A) Minutes of April 9, 2019 Regular Board Meeting, (B) Monthly Bills, (C) Monthly Financial Statement, and (D) Willow Creek Boardwalk Repair Contract. Wendy Kroger seconded the motion.

Roll call proceeded as follows:

John Griffiths	Yes
Felicita Monteblanco	Yes
Wendy Kroger	Yes
Todd Duwe	Yes
Ali Kavianian	Yes

The motion was UNANIMOUSLY APPROVED.

**Agenda Item #8 – Unfinished Business**

**A. Jenkins Estate Concept Plan**

General Manager Doug Menke introduced Keith Watson, Community Programs manager, to provide an overview of the Jenkins Estate Concept Plan as included within the board of directors' information packet. This plan was previously presented to the board for review at the March 12, 2019, Regular Board meeting and staff is requesting the board's final review and comments this evening.

Keith provided a detailed overview of the culmination of the Jenkins Estate Concept Plan development process via a PowerPoint presentation, a copy of which was entered into the record, noting that work on the concept plan began in the summer of 2017 with a wide-ranging public outreach process. He noted that outreach efforts included on-site intercept interviews, three open house community conversations, and an extensive online informational survey, and that the plan presented represents the contributions of many individuals and groups including community stakeholders, estate neighbors, past and present advisory committees, past and present THPRD staff, and the THPRD Board of Directors. Keith commented that a concept plan differs from a master plan in that some existing park amenities serve as anchors and are not being considered for significant changes, and that because the plan does not request any new funds, no formal action is requested from the board. He offered to answer any questions the board may have.

John Griffiths asked for confirmation that the public outreach conducted for the concept plan confirmed that the natural areas and trails at Jenkins Estate are highly valued by the community.

✓ Keith confirmed that those features rated highly through the public outreach process.

The board members thanked district staff for the extensive public outreach conducted on the Jenkins Estate Concept Plan and did not have any further comments or questions.

**B. General Manager's Report**

General Manager Doug Menke provided an overview of his General Manager's Report included within the board of directors' information packet, including the following:

- Recognition of board member Felicita Monteblanco's receipt of the American Association of University Women of Oregon annual Breaking Barriers Achievement Award, and board member Todd Duwe's receipt of a Beaverton School District annual WE Award.
- Drawdown Eco Challenge
  - Kim Wade, facilities supervisor, announced that THPRD placed in the top 20 worldwide for the Drawdown Eco Challenge, via a PowerPoint presentation, a copy of which was entered into the record.
- Park and Trail Construction Updates
  - Gery Keck, Design & Development manager, provided an update on park and trail construction projects via a PowerPoint presentation, a copy of which was entered into the record.

- Centro de Bienvenida and Voters' Forum
    - Holly Thompson, Communications director, recapped the Centro de Bienvenida and Voters' Forum events, both held Saturday, April 27, at the Elsie Stuhr Center, via a PowerPoint presentation, a copy of which was entered into the record.
  - 2019 Spring Events Recap
    - Aisha Panas, director of Park & Recreation Services, showed photos from recent events via a PowerPoint presentation, a copy of which was entered into the record.
  - Board of Directors & Budget Committee Meeting Schedule
- Doug offered to answer any questions the board may have.

The board members expressed an interest in being invited to participate in the next Drawdown Eco Challenge.

Wendy Kroger referenced the Management Report included within the board of directors' information packet, specifically the item regarding the City of Beaverton's draft Climate Action Plan that district staff commented on, and asked if it would be possible for her to receive a copy of the draft plan. She noted that this will be an important document and that THPRD should have a lot to contribute.

- ✓ Keith Hobson, director of Business & Facilities, replied that the working draft would be provided, noting that the final draft of the city's document isn't expected until the end of the month.

Board member Todd Duwe was excused from the meeting.

## **Agenda Item #9 – New Business**

### **A. Resolution Appointing Visioning Task Force Members**

General Manager Doug Menke introduced Holly Thompson, Communications director, and Jaspreet Chahal, community engagement specialist, to provide an overview of the request to appoint members to the Visioning Task Force.

Holly and Jaspreet provided a detailed overview of the recruitment process used in filling the district's new Visioning Task Force via a PowerPoint presentation, a copy of which was entered into the record. The recruitment period was three weeks, during which 41 applications were received, 38 of which met the criteria of living in-district. All 38 applicants were invited to an interview with 34 people choosing to participate. Thirteen applicants are recommended for appointment via the resolution included within the board of directors' information packet. Holly noted that district staff is working with the visioning project consultant to find ways to keep applicants not recommended for appointment engaged in the visioning process, and offered to answer any questions the board may have.

Felicita Monteblanco commented that the number of applications received is a testament to the number of people within the community that want to be involved with THPRD, as well as the amount of outreach conducted.

President Kavianian inquired whether the board would be open to consideration of appointing a limited number of out-of-district applicants who are also users of the district's services for future committees like this.

- ✓ Felicita replied that she would be open to the consideration, noting that there are many people who live just outside district boundaries who use and love THPRD's services.
- ✓ Holly noted that she would be happy to put together some suggestions as to how out-of-district participation might be considered for future committees.

Ali inquired whether the three out-of-district applicants would be invited to continue their engagement in the visioning process, as well.

- ✓ Holly confirmed this.
- ✓ Wendy Kroger noted that it would be interesting to explore the use out-of-district participation on committees as a catalyst for the discussion of how to bring those residents or areas into the district.

John Griffiths inquired about the deliverable anticipated from the Visioning Task Force, such as a report or presentation to the board.

- ✓ Holly provided an overview of the upcoming phases for the Visioning Process:
  - Community Outreach
  - Action Teams (includes opportunities for board involvement)
  - Community Review
  - Plan Creation and Board Adoption

President Kavianian inquired whether the Visioning Task Force will have a set number of expected touchpoints with the community.

- ✓ Holly replied that this will be up to the task force members, noting that they will be having their orientation meeting later this week followed by a training meeting a few weeks later.

**Felicita Monteblanco moved that the board of directors approve Resolution 2019-05, appointing Visioning Task Force members. Wendy Kroger seconded the motion. Roll call proceeded as follows:**

<b>John Griffiths</b>	<b>Yes</b>
<b>Wendy Kroger</b>	<b>Yes</b>
<b>Felicita Monteblanco</b>	<b>Yes</b>
<b>Ali Kavianian</b>	<b>Yes</b>

**The motion was UNANIMOUSLY APPROVED.**

**B. District Compiled Policies Chapter 6: Information for Evaluation of Capital Replacement Reserve Policy**

General Manager Doug Menke introduced Keith Hobson, director of Business & Facilities, to provide an overview of a proposed update to District Compiled Policies Chapter 6, Finance, to incorporate policies associated with the Capital Replacement Reserve Fund.

Keith provided a detailed overview of the memo included within the board of director’s information packet noting that the district’s financial policy, as contained in Chapter 6 of the District Compiled Policies (DCP 6), needs to be updated to incorporate policies associated with the Capital Replacement Reserve Fund. In 2013, the board adopted a Service and Financial Sustainability Plan which contained recommendations related to the development of a capital replacement reserve, specifically: Goal 2 – Establish a sinking fund for life cycle repair/replacement projects. For the last four fiscal years, the district has budgeted for, and implemented the creation of the capital replacement reserve with funding levels at \$850,000 a year, resulting in a reserve balance of \$3.4 million. In the Proposed 2019/20 Budget, the reserve fund is being transferred from the general fund to a segregated fund. Keith noted that proposed policies and alternative working guidelines have been developed for the board’s consideration and discussion this evening and based on that discussion, an amended DCP 6 containing the new policies would be brought back to the board for consideration of adoption at a future board meeting.

The board discussed and evaluated each of the policy statements and alternative working guidelines as presented in Appendix C of the board of directors’ information packet:

*Policy: The district will establish a target funding level for the reserve fund that is adequate to fund identified replacements as they come due.*



- *Working Guideline 2 – Alternative 1: The assets to be used to calculate the reserve fund target funding level shall be all assets that the district classifies as Major Replacements assets.*
- *Working Guideline 2 – Alternative 2: The assets to be used to calculate the reserve fund target funding level shall be all assets that the district classifies as Major Replacements assets and Routine Replacement Assets.*

Wendy Kroger inquired how the district is currently managing routine replacements and whether that method is working well.

- ✓ Keith replied that routine replacements are currently being funded as the need presents itself. One thing to keep in mind is that routine replacements typically do not compromise the operational ability of a facility. As long as the district is able to continue the funding commitment of between \$2.5-3 million annually, the routine replacements should be able to be managed well.

Felicita Montebianco asked for the difference between routine, major and emergency replacements.

- ✓ Keith replied that major replacements are easily identifiable, tracked, and have specific lifespans, whereas an example of a routine replacement would be the district's pathways. While there are a lot of miles of pathways, they are not measured into segments with identified lifespans. The intent of funding the major asset replacements is to avoid an emergency replacement.

Felicita noted that a catastrophic event could result in an emergency replacement.

- ✓ Keith agreed, noting that the district's insurance coverage would then come into play.

John Griffiths asked how far in advance does funding for a major asset replacement begin to be set aside.

- ✓ Keith replied on Year 1. For example, if a particular facility's roof has a 40-year life, on Year 2 of the roof's life, 2/40 of the funding for the roof's replacement should be set aside.

John inquired whether that funding is invested until it is time to use it.

- ✓ Keith confirmed this, noting that at some point in the future when the replacement reserve is fully funded, the district could explore amending its investment policy to provide for longer term investments.

Keith stated that the staff recommendation would be for Alternative 1 and the board concurred.

*Policy: The district shall fund the Capital Reserve fund using general operating revenues at an amount necessary to maintain the funding target.*

- *Working Guideline 1 – Alternative 1: Until the Capital Reserve fund is funded at the reserve fund target funding level, the district will transfer funds into the reserve fund at an amount sufficient to increase the reserve by a net of \$850,000 per year.*
- *Working Guideline 1 – Alternative 2: Until the Capital Reserve fund is funded at the reserve fund target funding level, the district will transfer funds into the reserve fund at an amount sufficient to, on a straight-line basis, reach the reserve fund target funding level by the end of FY 2024/25.*

President Kavianian inquired how large the delta is between Alternatives 1 and 2.

- ✓ Keith replied approximately \$150,000 a year for a total of \$1 million annually.

Ali commented that he prefers Alternative 2.

- ✓ Keith added that, as this board is not able to bind future boards, this appropriation would come through the budget process, which offers some fluidity.

Wendy noted the simplicity of Alternative 1 and described that a temptation may exist in Alternative 2 to delay funding of the reserve in tight years. She prefers Alternative 1.

John expressed a preference for Alternative 2.

Felicita commented that she is leaning toward Alternative 2.

Ali reviewed the evaluation criteria provided for each of the alternatives and noted that he would support Alternative 1 if it included a caveat that the intent is to reach the reserve fund target funding level by the end of FY 2024/25.

Keith offered a compromise of establishing a target of funding the reserve by the end of FY 2024/25, but with a floor funding level of a net of \$850,000 per year, and the board concurred.

*Policy: The district shall fund the Capital Reserve fund using general operating revenues at an amount necessary to maintain the funding target.*

- *Working Guideline 2 – Alternative 1: Once the Capital Reserve fund is funded at the target funding level the district will fund the reserve at an annual amount necessary to maintain the balance at the reserve fund target funding level.*
- *Working Guideline 2 – Alternative 2: Once the Capital Reserve fund is funded at the target funding level the district will fund the reserve at an annual amount necessary to maintain the balance at the reserve fund target funding level, unless determined through the annual budgeting process that this funding level is not achievable due to other issues impacting the fiscal status of the district.*

President Kavianian expressed a preference for Alternative 1 and the other board members concurred.

*Policy: The district shall utilize replacement funds to fund replacements included in the target balance calculation.*

- *Working Guideline 1 – Alternative 1: The capital replacement reserve will cover the full cost of the applicable asset replacement, even if the actual cost exceeds the amount set aside in the reserve.*
- *Working Guideline 1 – Alternative 2: The capital replacement reserve will cover only the cost of the applicable asset replacement that has been set aside in the reserve, with the remainder of the cost being funded by the general fund.*

Wendy inquired whether asset replacement costs are updated regularly.

- ✓ Keith replied annually, although there still may be some unanticipated cost escalations.

John expressed a preference for Alternative 1 noting that he would prefer that a cost overage for an asset replacement not impact operations or the general fund, but the following year the reserve fund would need to be made whole, and the other board members concurred.

*Policy: The district shall utilize replacement funds to fund replacements included in the target balance calculation.*

- *Working Guideline 2: The timing of actual replacements using replacement reserve funds will be based on an actual condition of asset assessment, and not solely based on an estimated useful life.*

Keith questioned whether this guideline is needed but the board agreed to retain it.

*Policy: The district shall utilize replacement funds to fund replacements included in the target balance calculation.*

- *Working Guideline 3 – Alternative 1: The capital replacement reserve fund can only be expended for the replacement of assets in the target balance calculation.*
- *Working Guideline 3 – Alternative 2: The capital replacement reserve fund can only be expended for the replacement of assets in the target balance calculation, or for other capital asset replacements if deemed an emergency by the district.*
- *Working Guideline 3 – Alternative 3: The capital replacement reserve fund can only be expended for the replacement of assets in the target balance calculation, for other capital asset replacements if deemed an emergency by the district, or to cover an unforeseen cost that would meet the test for use of contingency.*

John inquired whether the current contingency fund is large enough to address unseen capital emergencies.

- ✓ Keith replied depending on the scope. A roof failure would likely completely deplete the contingency fund.
- ✓ Doug added that there would also already be at least some funding set aside for the unseen capital emergency asset within the reserve fund.
- ✓ Ali noted the use of insurance coverage for catastrophic emergency repairs.

The board expressed a preference for Alternative 1.

*Policy: Any use of the replacement reserve fund that exceeds the funded balance for that item will be replenished to the reserve by the general fund.*

- *Working Guideline 1 – Alternative 1: Repayment of an excess payment by the reserve fund shall follow a fixed repayment schedule.*
- *Working Guideline 1 – Alternative 2: Repayment of an excess payment by the reserve fund will be established each year through the budget process.*

Keith noted that the selection of this working guideline would have been more critical should the board have selected Alternative 3 in the prior section, noting that Alternative 1 in this section may be onerous given that previous decision.

President Kavianian commented that although he would like to see such a strong commitment to replenishing the fund as described in Alternative 1, he understands that Alternative 2 would be more practical.

Keith described the intent that if the fund is slightly underfunded because it was overextended the previous fiscal year, it would be caught up through the budget process.

The board expressed a preference for Alternative 2.

### **Agenda Item #10 – Adjourn**

There being no further business, the meeting was adjourned at 9:15 pm.

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Ali Kavianian, President

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Felicita Monteblanco, Secretary

Recording Secretary,  
Jessica Collins