

TUKWILA METROPOLITAN PARK DISTRICT

August 20, 2012 – 8:00 p.m.
Council Chambers – Tukwila City Hall

BOARD OF COMMISSIONERS REGULAR MEETING MINUTES

CALL TO ORDER

Board President Seal called the Regular Meeting of the Tukwila Metropolitan Park District (MPD) to order at 8:06 p.m.

TUKWILA METROPOLITAN PARK DISTRICT COMMISSIONERS

Present were Joe Duffie, Dennis Robertson, Verna Seal, Allan Ekberg, Kathy Hougardy, De'Sean Quinn, Kate Kruller.

TUKWILA METROPOLITAN PARK DISTRICT REPRESENTATIVES

Lisa M. Marshall, MPD Board Attorney; Peggy McCarthy, Treasurer.

CITY OF TUKWILA OFFICIALS

Jim Haggerton, Mayor; David Cline, City Administrator; Rick Still, Parks and Recreation Director; Robert Eaton, Parks and Recreation Project Coordinator; Malcolm Neely, Aquatics Coordinator; Christy O'Flaherty, City Clerk.

CITIZEN COMMENTS

Christine Neuffer, 13813 37th Avenue South, stated that the STP (Sustain Tukwila Pool) group sent a letter to the MPD regarding a desired change to the governing structure. They would like to see a separate board elected by the citizens as opposed to City Councilmembers also taking on the role of MPD Board Members. They would like to see this investigated in time for the November 2013 election.

CONSENT AGENDA

a. Approval of minutes: 6/18/12

b. Approval of vouchers:

July 2: #120604, 360916 in the amount of \$1,887.37

July 16: #361019, 360929, 360971, 360992, 360958, 360976 in the amount of \$5,408.73

July 23: #361035, 120600 in the amount of \$4,312.46

August 8: #120705, 361123, 361117, 361200 in the amount of \$11,054.71

August 20 #120700, 361299 in the amount of \$5,979.41.

MOVED BY QUINN, SECONDED BY KRULLER TO APPROVE THE CONSENT AGENDA AS SUBMITTED. MOTION CARRIED 7-0.

There were questions regarding how the MPD vouchers were provided for review by the Board, and it was determined that the process needs to be identified with greater clarity.

8:10 p.m. Board Member Kruller left the Council Chambers.

8:13 p.m. Board Member Kruller returned to the Council Chambers.

David Cline, City Administrator, assured the Board that the process would be reviewed and information provided to the Board members.

BUSINESS ITEMS

a. Funding alternatives for capital improvements.

Peggy McCarthy, Board Treasurer, provided an overview of this topic.

The Tukwila Pool MPD has determined the need for capital improvements in the amount of \$1.66 million to sustain operations of the pool for the next 20-30 years. The MPD has secured a total of \$666,666.66 toward the financing of the capital improvement projects to cover a portion of the financing requirements. An additional \$1,000,000 is needed to proceed with the project. To make the capital improvements a reality, financing options have been reviewed.

Ms. McCarthy provided a summary of each of the financing options:

- Green Campus Partners – Tax Exempt Lease Purchase (TELP)
- Seattle Northwest Securities – Long-term General Obligation Bond (LTGO)
- Local Option Capital Asset Loan Program (LOCAL) – Washington State Treasurer

Based on the current information, the Tax Exempt Lease Purchase is the optimal financing method requiring annual debt service payments of \$85,605 for total payments of \$1,284,070 over 15 years. While a funding decision will be necessary in the near future, this item is for information only at this time.

The Board Members discussed the options and offered the following comments: concern regarding whether the MPD could afford the \$134,284 annual payment associated with the LOCAL program; the need for greater details regarding payments guaranteed from the City versus not guaranteed and the risks involved; a desire to investigate interest rates acquired without City backing; review of any financial policies in place for a Board or for a City with a bond rating.

David Cline, City Administrator, clarified that this information was provided a couple of months ago in the 20-year plan. At that time the Board provided clear direction to go with the lower annual payments to ensure there is a policy of putting money away for investments. An 8-10 year payment plan would deviate from that model. All information will be presented prior to the decision on a financing option.

Vanessa Zaputil, 15171 52nd Avenue South, indicated that she will be placing this item on the next Tukwila Pool Advisory Committee (TPAC) meeting for discussion. She is interested in knowing the rates without City backing to ensure the big picture is evident before decisions are made.

Bryan Nelson, 3223 South 136th Street, noted the majority of the line items outlined in the LOCAL program show a 5-year payback. There has been analysis that 15-20 years is more reasonable, and he inquired if there is a way to appeal to have the number of years changed.

Board Member Robertson asked the Board Attorney if a future governance change would have any impact on the bond as it relates to a City guarantee.

Lisa Marshall, Board Attorney, responded that the RCWs are silent as to a change in governance and how that would affect a bond. The assumption would be that it would not have an impact.

b. Authorize the Board President to sign the grant acceptance agreement in a form approved by the Commission Attorney to accept the \$416,666 grant from the Department of Commerce 2012 Energy Efficiency Grants for Higher Education and Local Governments.

MOVED BY EKBERG, SECONDED BY ROBERTSON TO AUTHORIZE THE BOARD PRESIDENT TO SIGN THE GRANT ACCEPTANCE AGREEMENT IN A FORM APPROVED BY THE COMMISSION ATTORNEY TO ACCEPT THE \$416,666 GRANT FROM THE DEPARTMENT OF COMMERCE 2012 ENERGY EFFICIENCY GRANTS FOR HIGHER EDUCATION AND LOCAL GOVERNMENTS.*

Board Member Robertson referenced the completion date of June 30, 2013 and inquired about the implications if the project runs over and if the grant funding would have to be returned.

David Cline, City Administrator, clarified that the documentation states that Congress is required to ask for all *unspent funds* back in the event of delays.

Andrew Williamson, McKinstry Engineer, explained that 10-15% retainage is standard and McKinstry has been involved in 3 rounds of Department of Commerce (DOC) grants. They have been very flexible regarding deadlines as this grant is part of jobs legislation. The City of Everett inquired about the deadlines as well, and the feedback from DOC was that these are not "heart-stop" deadlines. They have the ability to extend it into the next biennium.

***MOTION CARRIED 7-0.**

c. Adopt the final Energy Service Plan (ESP) and authorize the Board President to sign necessary documents with the Department of Energy Services (DES) to allow McKinstry to implement the capital improvement items, to include the Interagency Agreement amendment, funding approval form for professional services, and the funding approval form for a construction contract between DES and McKinstry.

Robert Eaton, Project Coordinator, explained that a revised ESP has been distributed. On page 25 of the ESP there are 5 items listed that were pulled out and represent a reduced scope of work in an effort to lessen costs. These measures will not be included in the detailed scopes of work and are not in the base contract. They will be added as change orders with hard bids to reflect modified scope language. The items are as follows:

- #16 – Bulkhead renovation – Allowance: \$4,500/ Original Estimate: \$14,683
- #17 – Pool filter conversion – Allowance: \$15,000/ Original Estimate: \$149,089
- #19 – ADA improvements (parking lot) – Allowance: \$90,000/ Original Estimate: \$101,700
- #21 – New roof – Allowance: \$85,449/ Original Estimate: \$378,000
- #23 – Locker room floor resurfacing – Allowance: \$85,000/ Original Estimate: \$92,389

Board Member Kruller commented that since estimates lower than McKinstry's have been received on these items, it is close enough that McKinstry will not make a guarantee. This brings about a higher risk as well as cost savings. Mr. Eaton stated that staff is comfortable with the allowances.

The Board Members asked questions regarding the 5 items and asked staff to provide an addendum to the ESP that explains the basis for staff's recommendation on the items.

Vanessa Zaputil provided a document that outlines corrections to the ESP and asked that they be incorporated into the document.

Rick Still, Parks and Recreation Director, relayed that Ms. Zaputil's changes were incorporated in the revised ESP that was provided to the Council.

**MOVED BY DUFFIE, SECONDED BY HOUARDY TO ADOPT THE FINAL ENERGY SERVICE PLAN (ESP) AND AUTHORIZE THE BOARD PRESIDENT TO SIGN NECESSARY DOCUMENTS WITH THE DEPARTMENT OF ENERGY SERVICES (DES) TO ALLOW MCKINSTRY TO IMPLEMENT THE CAPITAL IMPROVEMENT ITEMS, TO INCLUDE THE INTERAGENCY AGREEMENT AMENDMENT, FUNDING APPROVAL FORM FOR PROFESSIONAL SERVICES, AND THE FUNDING APPROVAL FORM FOR A CONSTRUCTION CONTRACT BETWEEN DES AND MCKINSTRY.
MOTION CARRIED 7-0.**

d. Authorize the Board President to sign the grant acceptance agreement with Puget Sound Energy to accept a conservation grant in the amount of \$14,041.

MOVED BY QUINN, SECONDED BY KRULLER TO AUTHORIZE THE BOARD PRESIDENT TO SIGN THE GRANT ACCEPTANCE AGREEMENT WITH PUGET SOUND ENERGY TO ACCEPT A CONSERVATION GRANT IN THE AMOUNT OF \$14,041. MOTION CARRIED 7-0.

Vanessa Zaputil indicated that table 4.2 in the ESP does not show the 5 items that represent the reduced scope of work: #16, 17, 19, 21 and 23.

Andrew Williamson, McKinstry Engineer, indicated those 5 allotments are not part of the base contract and will be taken care of as change orders. McKinstry will work with the MPD to ensure everything is done in a quality and cost effective manner.

Board Member Kruller asked for verification that the 5 items that will be treated as change orders will not take a second seat in the process.

Mr. Williamson confirmed that those 5 items will not lose attention and will be handled through competitive bidding to get the best pricing in the industry.

Rick Still, Parks and Recreation Director, explained that these are no-cost change orders, and they have to be completed as they are part of the grant. All the projects above them are guaranteed, and these 5 items will not be excluded.

Vanessa Zaputil expected to see a detailed scope of work for these 5 items to ensure there is no confusion in the future.

Board Member Robertson reiterated that the addendum requested under the discussion on the adoption of the ESP (Item 4C) should provide the necessary details.

e. Rental policy review.

Mr. Still explained the Board had requested to review the policy that governs rentals at the Tukwila Pool. The policy in the packet is the latest revision, which has been in place since Tukwila began operations at the facility in 2003.

The Board Members discussed the rental policy and asked clarifying questions of staff.

David Cline, City Administrator, indicated there could be a review of over-arching policies that are a priority for the Board and that would impact the focus of administrative policies.

Mr. Still stated the topic would be put on the long-term agenda in December.

f. 2013 budget direction.

The 2013 MPD budget needs to be adopted at the December meeting. The current schedule for working through the budget issues to achieve the 2013 budget has been outlined in the revised 2013 draft long term agenda and is listed below.

SEPTEMBER 17

- 1. City Services Review** would include a summary breakdown of the contracted work effort performed by the City for \$7,500 per month.
- 2. Contracted Services (Outsource) Presentation** would include a summary of types of individual contracted services needed to perform the scope of work that the City is currently being contracted to perform.
- 3. Preliminary 2013 Programs and Fees Review** would include an outline of the types of programs, i.e. swim lessons, rentals and special events, and a proposed fee schedule for 2013 programs.

OCTOBER 15

- 4. Preliminary 2013 Budget** would be a line item budget that reflects the current 5-year model and any direction received from previous board meetings.

NOVEMBER 19

5. **2013 Program and Fees Review** would be modified according to Board direction.

DECEMBER 17

6. **Adopt 2013 Budget** would be a final document prepared for adoption.

Staff recommends moving forward with Items 3 – 6 as scheduled to provide a seamless re-opening of the pool after construction, and that Items 1 and 2 be rescheduled until after the capital project is completed and normal operations have resumed.

Christine Neuffer indicated that the STP (Sustain Tukwila Pool) group does not want to see a delay in Items 1 (City Services Review) and 2 (Contracted Services Outsource). They feel a detailed accounting is imperative prior to the budget being set and is essential for fiscal responsibility. The citizens voted to keep the pool open, and it is vital to make wise decisions during this time of change.

Discussion ensued among the Board Members regarding timing and issues associated with completing the 6 budgetary items.

It was determined that Items 1, 3, 4, 5, and 6 would be completed as currently scheduled. The City Administrator will provide a 1-page scope regarding Item #2 for discussion at the September MPD meeting.

**MOVED BY EKBERG, SECONDED BY DUFFIE TO ACCEPT ITEMS 1, 3, 4, 5, 6 OF THE STAFF RECOMMENDATION AS OUTLINED IN THE MPD AGENDA PACKET ON PAGE 43.
MOTION CARRIED 7-0.**

REPORTS

- a. Commissioners
- b. Tukwila Pool Advisory Committee (TPAC):
 - Agendas and Minutes
 - Chairperson Report

Bryan Nelson, TPAC Chair, referenced the TPAC report on page 63 and pointed out highlights to include working on the CIP, updating priorities, working on relationships with the Sustain Tukwila Pool group and the school district, and advocacy toward making swimming part of the school district curriculum.

Board President Seal acknowledged that the school board is appreciative of the open dialogue that has occurred with the TPAC.

Board Member Robertson offered the reminder that there is more than one school district in Tukwila.

Board Member Kruller asked if the TPAC has necessary resources and believes they are being heard.

Mr. Nelson responded in the affirmative.

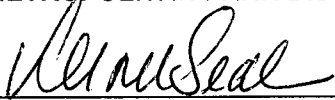
- c. Staff:
 - Capital Improvement Program (CIP) Status
 - Operational Issues
 - Short-term agenda review
 - Quarterly revenue report
 - Quarterly financial statement
- d. Miscellaneous
 - Long-term agenda
 - Next meeting is September 17, 2012

Board Member Ekberg referenced the letter from the Sustain Tukwila Pool group requesting that a change in governance be reviewed. He inquired about the possibility of acquiring legal advice on the matter for discussion at a future meeting.

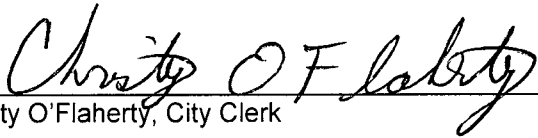
The Board Members discussed this issue and requested the Board attorney provide the basic process for discussion at the October MPD meeting.

ADJOURNMENT

10:19 p.m. MOVED BY DUFFIE, SECONDED BY ROBERTSON THAT THE TUKWILA METROPOLITAN PARK DISTRICT MEETING BE ADJOURNED. MOTION CARRIED 7-0.



Verna Seal, President, Board of Commissioners



Christy O'Flaherty, City Clerk