

Bond Oversight Committee Meeting Minutes

August 5, 2010



Pleasant Hill
Recreation & Park District

People, Parks, and Programs Since 1951

The August 5, 2010 Bond Oversight Committee Meeting of the Pleasant Hill Recreation & Park District was called to order by Committee Chair Norm Vanhole at 6:00 p.m. in the Conference Room at the Administration Office.

PLEDGE OF ALLEGIANCE

Secretary Marie Simons led the Pledge of Allegiance.

ROLL CALL

MEMBERS PRESENT: Ganguet, Hagopian, Jeffrey, Ng, Simons, Vanhole, Vardas

STAFF & BOARD PRESENT: Berggren, Sterrett

PUBLIC COMMENT

There was no public comment.

TO APPROVE MINUTES OF MARCH 29, 2010 (ACTION)

Committee Chair Norm Vanhole asked if any member had any changes to the minutes. There were no members that had any changes.

Upon motion of Vardas/Ng, the Committee approved the minutes of March 29, 2010 as presented.

The General Manager thanked Secretary Marie Simons for completing the minutes for the Bond Oversight Committee. He stated that staff appreciates her efforts.

REVIEW BOND PROJECTS SCHEDULE

General Manager Bob Berggren reviewed the bond projects schedule, which runs through August of 2013. He pointed out where we are now. He said the Mitigated Negative Declaration is available for review on the District's website if members or public want to review the document. The General Manager said it will be reviewed by the City's Planning Commission and any recommendations will be made. He explained the process with the CEQA document and procedures. He continued to review the schedule and the inspections and asked if there are any questions on where the District is regarding the bond schedule.

Committee Chair Norm Vanhole asked about the Measure WW funds. The General Manager explained that East Bay Regional Park District passed a bond measure several years ago where special districts and park agencies received per capita allotment of the Measure WW funds, which the Pleasant Hill Recreation & Park District was allocated \$1.7 million. He said \$1.3 million was approved by the Board of Directors for the Winslow Center site to improve the site and relocate programs from the Community Center to the Winslow Center site during construction. He mentioned that at one point it was discussed to have temporary modular buildings at the site, but due to the utility needs at the site and the costs, it made more sense to make the site a permanent upgrade to the site and still utilize the site after construction is complete where there could be 3,800 more square feet and a paved parking lot and additional landscaping. He said it will be a great addition to that site and corner of that area. Member Harold Jeffrey asked when referring to the Winslow Center site is there a separate issue. The General Manager said that there are some feasibility studies to look at the possibility of having

a theatre at the Community Center and also a feasibility study on childcare to see if it could remain at the Winslow Center site instead of putting it back at the Community Center. He said if the preschool/childcare programs did not return to the Community Center, some other possibilities arose on what programs can fill that space at the Community Center. He stated that some Board Members wanted to see a theatre built, so they are looking into feasibility studies to see if it would be feasible to have a theatre at the Community Center and if it would be good to expand the childcare programs.

Committee Chair Vanhole said there are two stages to the schedule. Member Vardas had a question on the feasibility study and asked if it has taken place. General Manager Berggren commented that some Board Members and staff have interviewed companies that would conduct feasibility studies and they would make a recommendation to the full Board for approval to select one company to conduct the theatre feasibility study and one company to conduct the childcare feasibility study. Vardas asked if it would have an impact on the schedule. Berggren said that it could because currently, the Mitigated Negative Declaration with the current plans of the Community Center without a little theatre, so there might have to be an amendment to the Mitigated Negative Declaration and secondly, informally the City may require some further traffic analysis. He explained that with a preschool program it is primarily during the day and with a theatre it will be programmed more in the evenings.

Committee Chair Vanhole mentioned that the City's Architectural Review Commission is meeting tonight and the District asked to pull the item due to the new design of the Teen Center and the updated budget figures were not included, but decided they wanted to wait until the budget figures were included. It will be brought back and rescheduled with the Architectural Review Commission. Vanhole said he attended the Planning Commission meeting in regards to the Senior Center and commented that they seemed more concerned about the parking than anything else and felt that there is a lot of time being spent than needed on some issues. The General Manager stated that he spoke with the City Manager and they plan to meet monthly with the District and the City staff, which will help with the process. He said they have had some positive meetings. Member Jeffrey asked if there are City fees that are charged for their time. The General Manager answered that the City does have fees and it is included in the budget. Vardas asked if the redesign is from the Architectural Review Commission. The General Manager said it was partially from suggestions from the Architectural Review Commission and also Board and staff.

REVIEW OF BOND PROJECT BUDGET

Member Vardas asked if the restrooms for the park are also included in the Teen Center budget. The General Manager answered that they are part of the Teen Center and part of the center will be for park maintenance as well. Member Jeffrey asked if there are any other restrooms in parks that are supposed to be included in the plans for bond projects. The General Manager stated that there were plans for upgrades to restrooms at Rodgers-Smith Park and Brookwood Park, but they are on hold for right now due to the contingency money. He stated that the Board is holding off until there may be a need for the \$700,000 to get through the other projects. He stated if there are funds left then the upgrades to restrooms will be completed. He said Pleasant Oaks Park have restrooms already at the site due to the construction of a new restroom, snack shack, meeting room facility that Pleasant Hill Baseball Association jointly built with assistance from volunteers.

Committee Chair Vanhole clarified that the bond projects so far are coming in within the budget with a variance of \$1.1 million. Member Vardas asked how the \$1.1 million variance will be paid. General Manager Berggren pointed out that the variance is the Furniture, Fixtures and Equipment (FF&E), which cannot be included in the bond funds. He stated only permanent

affixed structures can be included. Any loose furniture, equipment or fixtures that are not attached to the building cannot be included. He said there will be fundraising activities to raise the funds needed. Berggren mentioned that the Senior Club has started fundraising for this and they have raised quite a bit of funds already. Recently, he said the Blues and Brews Festival in July was held to raise funds for the Teen Center. Berggren mentioned that Project Manager Ron Johnson commented that the budget will be ongoing and fluid and will constantly change. He said Johnson will have monthly updates to the budget. Member Simons asked if there are contingencies built in each project and Berggren stated yes. It is a 10% contingency on construction, but not as high for design. He said the Board set aside the additional \$700,000 as well. Simons asked if the budget numbers reflect the changes in cost about 6 weeks ago. Berggren stated that the budget is the most current. Simons asked if the FF&E funds projected are not included. Berggren said it does not include the funds currently raised for FF&E and if not all the funds are raised, less tables and chairs or furniture will be ordered and when the more funds are raised, then more furniture or equipment can be ordered and purchased. He said if some older equipment needed may be used then that will happen. He further explained that the District owns a residential property called the Little House, which is by the Senior Center and is utilized for programs. He stated there may be a possibility to sell the property and use the funds for the FF&E for the Senior Center or other projects. He said they will analyze those issues and options further.

REVIEW BOND PROJECTS EXPENDITURES

General Manager Berggren explained that Accounting Supervisor Mark Blair is on vacation, but would normally be the one to meet with the Committee and explain and review expenditures. Berggren proceeded to review the bond projects expenditures and stated that at times percentages are used when some fees are reflected for all projects and are not project specific (i.e. legal fees, CEQA related fees, unless project specific). He said as of July 24 there has been \$446,000 spent. He said the second set is a master summary invoice, which has the main contractors and then each of the pages correlate to the specific contracts. Member Jeffrey had a question on the first page on the far right column and what the column is for and if it is for memo notations. Member Simons commented that she may be able to explain it. She said Blair is probably noting the funding that he receives, where when the bank and the bond funds are reimbursed to the District for the expenses. She said the bond proceeds are held in a separate account and when they are reimbursed it is noted. Jeffrey was trying to understand the balance and commented that it should show a running balance. One question asked was if some of the contractors will have fees non-bond related. Berggren remarked that there are some contractors such as our legal counsel and they separate the invoices to reflect work for bond related issues and non-bond related issues. He said that for the CEQA process, the Winslow Center related work had to be pulled out and separated from the bond related work. The General Manager explained the process of paying out invoices. He said the number one responsibility of the Bond Oversight Committee is to review the bond expenditures and making sure they are being paid correctly.

Member Lisa Hagopian had a question on the contract for a theatre feasibility study. The General Manager said there is not, but the Board will be approving it at a future Board Meeting. He said the Dahlin Group was paid extra fees to draw up plans to see if a theatre would fit in the space where the preschool was in the original plans. He said they also spent some time in researching other theatre facilities and what type of AV equipment, floor, stage sizes, etc.

COMMITTEE COMMENTS

Member Vardas commented that his understanding was that the Committee would be obligated to meet quarterly. He said he read the Bond Measure and it states that the Oversight

Committee needs to report quarterly. Committee Chair Vanhole said he feels there should be a report made from the Bond Oversight Committee at one of the upcoming board meetings.

Member Jeffrey commented that the fiscal year for the District ended June 30th and the new fiscal year has begun July 1. Jeffrey asked when the audit would be conducted for the District. Chair Vanhole said there is an overage on certain items, but the expenditures don't seem to be out of line and it is in the design phase, the concern would be more during the construction phase. He stated that it seems to be working well, but feels that the Committee does still need to give a report. He asked if they need to assign sub committees.

Jeffrey said that accounting is the only thing going on right now, but as soon as the construction starts there will be other issues. He would favor a couple of committees to focus on certain areas. He said he wanted to take some pictures and video of the project sites for historical purposes on how they are now and where are we for the middle of the phase and then photos for the final phase. Member Vardas asked how videos would be available to public. The General Manager said they are researching those capabilities for the District website. Jeffrey said he would like to conduct this for the District pro-bono. All members agreed this would be a nice service. The General Manager thanked Jeffrey for his offer.

Member Vardas said in regards to the FF&E, he would like to know what is needed. The General Manager said there is now an interior decorator on board and there will be more information on what will be needed inside. He said there is not someone on staff that can take on the responsibility of fundraising. Staff has been giving 150% efforts and time into the bond projects and being short staffed, it is not something they can take on. They have conducted some fundraising, but hopefully, they will have someone that can conduct this. He said there may be costs involved in having a firm to conduct this, but that will have to be decided. General Manager Berggren mentioned the District has had many other fundraising conducted for various projects such as the Sprayground and community members volunteered their time and the Pleasant Hill Community Foundation (a non-profit 501c3 organization) also was involved.

In regards to reporting to the Board of Directors, the General Manager wanted to verify which members would be reporting to the Board and it was Chair Vanhole and Member Ng. The Committee decided on the next meeting date of Thursday, December 9, 2010.

Member Lily Ng made an announcement about her job relocating her out of Northern California, so she wanted to give the committee a "heads up" and time to select a replacement for her. She will still be attending the next meeting in December and will be moving at the end of the year.

ADJOURNMENT

Committee Chair Vanhole adjourned the meeting at 7:20 p.m.

Robert B. Berggren, General Manager