Bond Oversight Committee Meeting Minutes
April 17, 2013

The April 17, 2013 Bond Oversight Committee Meeting of the Pleasant Hill Recreation & Park District (PHR&PD) was called to order by Committee Chair Norman Vanhole at 6:03 p.m. in the Conference Room at the Administration Office.

PLEDGE OF ALLEGIANCE
Committee Vice Chair Leo Vardas led the Pledge of Allegiance.

ROLL CALL
MEMBERS PRESENT: Gorham, Hagopian, Hirst, Jeffrey, Simons, Vanhole, Vardas

ABSENT: None

STAFF & BOARD PRESENT: Blair

PUBLIC COMMENT
There was no public comment.

ELECTION OF OFFICERS. (ACTION)
Committee Chair Vanhole moved this topic item after #5 "Committee Member Status Update" on the agenda and he asked if there were any other additions and/or changes. There were no comments from the members.

Upon motion of Vardas/Hirst, it was the consensus of the BOC members to keep the same officers in place for the following year. Approved officers include Committee Chair Norman Vanhole, Vice Chair Leo Vardas and Secretary Marie Simons.

COMMITTEE MEMBER STATUS UPDATE.
Committee Chair Vanhole moved this item on the agenda before #4 "Election of Officers" and thanked all members for their input, time and support on the BOC. Chair Vanhole commented the Community Center construction process appears to be running more smoothly than the previous projects and hopefully, the paperwork was better also. Member Gorham noted the construction invoices were easier to read. Chair Vanhole again thanked the members for their attendance and commitment to perform the duties set forth by the District Board in accordance with the Measure E ballot measure.

REVIEW AND APPROVE THE DEC 31, 2012 BOC REPORT. (ACTION)
Committee Chair Vanhole opened this item for discussion. Member Jeffrey asked if the $13,000 addition to the DL Falk change orders had been revised in the Budget Subcommittee section report and Secretary Simons confirmed the revision had been made. Members Jeffrey and Gorham had a brief discussion making sure their numbers were in sync. It was finally determined all three Subcommittee report revisions had been correctly stated within the BOC Semi-Annual Report as of December 31, 2012.

Member Simons announced Accounting Supervisor Blair had a recommendation for a wording revision that she thought was a good change to be considered by the BOC members.

Accounting Supervisor Blair proposed revised wording on page 5 of the Summary Section that would clarify "total budgeted expenses (incurred and forecasted) exceed available funds by <$92,537> to complete all projects". The purpose of the revision was to make sure the reader (public) did not think the deficit was caused by "actual expenses" exceeding the total budget. It was also determined by Member Hagopian on page 2, last paragraph of the Budget Subcommittee section would be revised to include the wording "there is budgeted an overall Measure E project budget fund deficiency of <$92,537>.

Member Simons referred everyone to the Master Program Budget report prepared by CSI as of 3/15/2013. Simons stated the report reflected the allocation of $400,000 in WW funds that to date had not been formally authorized by the District Board as a funding source to cover additional costs related to the Measure E projects. With this consideration, Member Simons clarified the overall budget status was not a surplus of $12,867 but was a deficit of <$387,133>. Accounting Supervisor Blair confirmed this was true based on the comments made by District Board Member Bonato at the last BOC meeting on March 21, 2013. Blair further explained General Manager Berggren had mentioned this funding allocation to CSI and indicated he would be submitting a recommendation to the District Board for formal action in the near future. Member Simons commented the only other alternative would be to reduce costs with other Measure E projects. Simons further stated she hoped this issue was resolved before the next BOC reporting period as of June 30, 2013.

Member Gorham requested an update on the Abbey Arnold & Associates work related to the Pleasant Hill Oaks Park improvement project. Accounting Supervisor Blair responded the bid advertisement had been posted with bids coming in soon and the project was on track with the Community Center. Member Hagopian commented she understood the ground breaking would be in the fall and Member Hirst asked "why the wait" if the bid opening was in the next week or so. Accounting Supervisor Blair responded the baseball season would be finished by fall.

Member Gorham noted he was aware of changes to the Pleasant Hill Oaks Park project design resulting from outside agencies wanting different dimensions that was resulting in cost increases to the Abbey Arnold & Associates contract. Member Gorham asked staff if these outside agencies would be requested to cover these additional costs and Accounting Supervisor Blair responded this question would be best suited for the District Board to answer.

Member Jeffrey reported when he compared the March 2013 expense data to the December 2012 quarter period, he noticed a significant reduction in expenses for the Teen Center that moved over to the Senior Center. Accounting Supervisor confirmed this change and explained he had received a memo from CSI stating they had over allocated costs to one project that should have gone to the other project. Blair further stated this change was revised by a journal entry and the correction did not the impact the payment expenses in total for both projects.

Member Jeffrey commented he thought the BOC should inform the public on the completion of the Senior and Teen Centers with information comparing the original plan with how it changed and how the money was spent. Chair Vanhole indicated he had mentioned this at the last meeting and he thought maybe this information would be best displayed in a pie-chart or graph format. Member Hirst commented as it relates to the charge of the BOC, the pie chart would display the funds were 100% spent in accordance with Measure E.

Member Jeffrey reported additional costs related to the acoustics improvements at the Senior Center were still coming in and he wanted to know when the Senior and Teen Center projects officially close out. The BOC members and staff had a lengthy discussion on each one's

understanding when a construction project is formally closed out. Since almost everyone had a different interpretation based on respective backgrounds and experience, there was no determination made at the meeting of the actual timing when projects are closed out.

Member Gorham asked staff if there would be a change order processed for the $150,000 settlement and Accounting Supervisor Blair responded there would not be a change order. Blair added once the settlement agreement was approved by the Board and signed by the Chairman; the paperwork was forwarded to him for direct payment. In response to Member Jeffrey, Accounting Supervisor Blair indicated there would be no escrow related to the settlement. Member Hirst asked if the final retention had been released to the contractor and Blair responded he thought so but was not sure.

Chair Vanhole asked if the Master Program Budget report was prepared monthly and Accounting Supervisor Blair responded he updates the expense columns on a daily basis as bills are paid. Blair further stated CSI updated the budget numbers sporadically when there were changes to the crystal ball forecasts.

Upon motion of Hirst/Vardas, the Committee approved the final version of the BOC Semi-Annual as of December 31, 2012 as amended with the revisions noted in the above discussion.

OLD BUSINESS

Committee Chair Vanhole requested the status of the $150,000 settlement and if there were pending claims from other contractors such as the architect. Accounting Supervisor Blair responded for the most part all claims had been submitted except maybe the attorney who had been responsible for the settlement process. In response to Chair Vanhole's question, Accounting Supervisor Blair confirmed Ron Johnson from CSI participated in the settlement negotiation process. Blair further noted this was the primary reason for several change orders to date amounting from $10,000 to $12,000 a month. In response to Member Gorham's question, Accounting Supervisor Blair responded the total change orders for CSI, since the inception of both projects, was in the amount of $428,180. This amount was significant due to the additional project management services related to the difficult situation with the construction contractor. Member Jeffrey stated the original contract amount was $1.7 million.

Chair Vanhole requested staff for a date the BOC would present the Semi-Annual report as of December 31, 2012 to the District Board. Accounting Supervisor Blair responded he would check with General Manager Berggren for the best date for all concerned parties.

NEW BUSINESS

After a brief discussion, it was confirmed by the BOC members the next BOC meeting would be scheduled for June 26, 2013.

ADJOURNMENT

Committee Chair Vanhole adjourned the meeting at 6:45 p.m.

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Marie Simons, Committee Secretary