

Bond Oversight Committee Meeting Minutes December 12, 2013



Pleasant Hill
Recreation & Park District

People, Parks, and Programs Since 1951

The December 12, 2013 Bond Oversight Committee Meeting of the Pleasant Hill Recreation & Park District (PHR&PD) was called to order by Committee Chair Norman Vanhole at 6:06 p.m. in the Conference Office at the Administration Office.

PLEDGE OF ALLEGIANCE

Committee Chair Norm Vanhole led the Pledge of Allegiance.

ROLL CALL

MEMBERS PRESENT: Hagopian, Hirst, Jeffrey, Vanhole, Vardas

ABSENT: Gorham, Simons

STAFF & BOARD PRESENT: Blair

PUBLIC COMMENT

There was no public comment.

REVIEW AND APPROVE MINUTES OF SEP 19, 2013 MEETING (ACTION)

Upon motion of Hirst/Vardas, the Committee approved the minutes of September 19, 2013.

COMMITTEE REPORTS

Under this item, Chair Vanhole reported he had attended the tour of the Community Center held on December 5, 2013 and noted the construction completion date is planned for mid-January 2014. Vice Chair Vardas commented the Grand Opening was scheduled on January 26, 2014. Chair Vanhole also mentioned the new Community Center was very attractive with a similar comment made by Vice Chair Vardas.

OLD BUSINESS

Chair Vanhole opened this item for discussion. Member Jeffrey gave an overview of the Audit Subcommittee work effort to date. Member Jeffrey reported the work effort included the review of all payments through September 30, 2013 and the update of the Measure E Payments Spreadsheet. Member Jeffrey also indicated he updated all authorized contract amounts including change orders and there had been some problems with Goodland, D.L. Falk and CSI. Member Jeffrey specifically stated CSI had been paid about \$10,000 to \$15,000 over the total authorized amount; however, he understood there was a change order in progress that would resolve this issue. Accounting Supervisor Blair responded he did not recognize change orders within the accounting system until all signatures had been executed by the responsible parties (District General Manager and CSI) on the change order.

Member Jeffrey also mentioned he projected total Measure E project costs by adding the expenditures through September 30, 2013 that total (\$25.5 million) with payments made during October and November (revised total up to \$27.7 million) and the balance of the remaining unspent authorized contract dollars (brings the total costs to almost \$30 million). Member Jeffrey further stated this analysis resulted in a projected \$400,000 cost overrun as compared to the \$29.6 million in total authorized revenue funding (including Measure E bond proceeds,

bond interest and WW funds). Accounting Supervisor Blair responded the Master Program Budget report prepared by CSI was also reporting a shortfall as of a certain date. Accounting Supervisor Blair indicated there were additional WW funds and District general funds that could be utilized to fund any remaining unfunded Measure E project costs. However, this action would require District Board approval before these funds could be allocated towards the Measure E projects.

Vice Chair Vardas asked staff about the status of rental fee revenue for the Senior Center. Accounting Supervisor Blair responded the revenue was higher than expected but not sufficient to pay for all the utility and maintenance costs associated with the overall Senior Center facility.

Chair Vanhole mentioned he thought the overall Senior Center program budget was subsidized by the District general fund in the amount of \$300,000 and Accounting Supervisor Blair confirmed the current year budget reflected an operational loss in excess of \$300,000.

Chair Vanhole asked about the membership fees since it had doubled since the opening of the new facility and Accounting Supervisor Blair responded these revenues go back to the Senior Center Club to support programs. Accounting Supervisor Blair further noted the Senior Club donated about \$100,000 for furniture to support the new Senior Center facility. Vice Chair Vardas added the Senior Club paid for new refrigeration at the Senior Center that was expensive.

Member Jeffrey asked about the Sports program profitability. Accounting Supervisor Blair explained briefly the Sports and Child Care program revenues pay for most of their respective direct staffing costs. However, these revenues are not sufficient to pay for all the operational costs associated with park and facility maintenance as well as utility costs.

Chair Vanhole asked about the PLDF funds of \$150,000 and Accounting Supervisor Blair explained this was related to the County Parkland Dedication funds used to fund the construction of the bocce courts.

Chair Vanhole reported to the BOC members he shared with the District Board during his presentation a pie chart prepared by Vice Chair Vardas. This pie chart reflected the Pleasant Hill resident membership of the Senior Center was only 38% and Vice Chair Vardas commented this was the same percentage of membership before it had doubled after the opening of the new facility.

Member Hagopian commented she thought there was a resident and non-resident fee established for programs. This was confirmed by Accounting Supervisor Blair. However, it was clarified by Vice Chair Vardas the difference was marginal. Vice Chair Vardas further noted he taught a class at the Senior Center where the resident fee is \$40 and the non-resident fee is \$45.

Member Jeffrey asked staff when the District general ledger would be available for the Audit Subcommittee to review payments through December 31, 2013. Accounting Supervisor Blair responded the general ledger would be ready by the week of January 20, 2014.

Chair Vanhole asked when the \$850,000 of WW funds would be released by EBRPD to the District. Accounting Supervisor Blair responded a percentage of the funds will be requested for a draw down soon but the final reimbursement cannot be withdrawn until the project is signed off as complete by a final permit and a plaque is placed thanking EBRPD for their contribution.

Member Jeffrey expressed a concern; if there would be sufficient cash on hand for the District to pay project costs before the receipt of the final WW reimbursement. Accounting Supervisor Blair confirmed there would be sufficient District cash on hand to pay these bills.

Chair Vanhole commented he hoped the projected shortfall of \$400,000 would be resolved before the next BOC meeting on March 13, 2014.

NEW BUSINESS: DISCUSSION ON REPORTING FORMAT FOR JUN 30, 2014 YEAR-END REPORT

Chair Vanhole opened this item for discussion and Member Hagopian commented the BOC should focus on the completion of the December 31, 2013 Semi-Annual Report before discussing the reporting format for the final June 30, 2014 Year-End Report. Member Hagopian further noted this revised report format could be discussed at the next BOC meeting in March 2014.

Vice Chair Vardas referred to an email sent by Member Simons regarding the revised format for the last BOC report. He did not feel the need to report the Rehab Bathroom project was not completed since funds had never been allocated towards this project. Other BOC members agreed and Accounting Supervisor Blair commented how pleased he was on how the District was able to complete the construction of the four primary projects with the approved bond funding. Accounting Supervisor Blair further stated the Teen Center project included the renovation of park bathrooms by their site and only bathrooms at the Rogers Smith Park and Brookwood Park would not be renovated. Both Accounting Supervisor Blair and Member Hagopian noted the original plan was to do these projects only if there were remaining funds left over after constructing the four primary projects. Vice Chair Vardas proposed the report should show the before and after pictures for all four projects.

There was some discussion by Accounting Supervisor Blair on when the final project costs would be posted to the District general ledger and when the Community Center and Pleasant Oaks Park would be closed out. Accounting Supervisor Blair noted final costs could be trickling in for the next few months.

Member Jeffrey asked if the Audited Financials for June 30, 2013 had been finalized and it was confirmed by Accounting Supervisor Blair the Measure E numbers had not changed with the final draft. With this consideration, Member Jeffrey reported the Audit Subcommittee numbers agreed with the District Audited Financials for June 30, 2013.

ADJOURNMENT

Committee Chair Vanhole adjourned the meeting at 6:40 p.m.

Marie Simons, Committee Secretary