HONEY LAKE VALLEY RECREATION AUTHORITY
GOVERNING BOARD MEETING
Regular Meeting Minutes
May 6, 2014 – 3:00 p.m.
City Council Chambers 66 North Lassen Street Susanville CA 96130

Meeting was called to order at 3:02 p.m. by President Brian Wilson.

Roll Call of Board of Directors present: Nicholas McBride, Larry Wosick, Vice President Jim Chapman and President Brian Wilson. Board member Meserve in attendance at 3:05.

Staff Present: Jared Hancock, Executive Officer, Heidi Whitlock, Project Manager.

3: APPROVAL OF AGENDA: Motion by Board member Wosick, second by Vice President Chapman to approve the agenda as posted; motion carried.

4: APPROVAL OF MINUTES FROM MARCH 18, 2014:
Motion by Board member Wosick, second by Board member McBride to approve the minutes from the March 18, 2014 minutes; motion carried.

5: CORRESPONDANCE: No correspondence was presented.

6: PUBLIC COMMENT: No public comment.

7: MATTERS FOR BOARD CONSIDERATION:

7A Discuss authorized purchaser – County to set up JPA Fund
Mr. Hancock starts by stating that the JPA is working with the Auditor's office and they are stating that two documents should be in place. At this time, the MOU between the County and the JPA, which the JPA approved, is pending. The JPA has signed the document and sent to the County where it is awaiting the remaining required signatures. The other required form is the authorized purchaser's form with the authorized purchasers listed. President Wilson inquires if this form is only authorizing the invoices to be paid. Mr. Hancock responds that the Auditor's office will have the budget and they will use the signatures on this form for completing all claims, provided they are in the budget.

Motion by Board member Wosick, second by Vice President Chapman to approve the authorized signature form and the authorized signees; motion carried with Board member Meserve abstaining.

7B Discuss Construction Financing Options
Mr. Hancock states that as the Board moves forward with this project, we will need to secure financing for the project and its construction. We are looking for direction on which way we should proceed. He then states the four general categories; government financing, private financing, public financing and self-funding. Mr. Hancock breaks down the government financing options. President Wilson inquires as to whether or not the USDA has funds available at this time. Mr. Hancock states that this type of financing is typically tied with "farm bills" and it looks like there will be funds from October 1 through September 30. President Wilson asks when we should apply if this is the option we choose. Mr. Hancock responds, as soon as possible, to have available once funds are released. President Wilson then expresses concern as to whether or not we can go for a revenue bond because of the limited ability to generate revenues. Can the Board tie up upcoming Board's funds. Mr. Hancock responds that we may need a legal opinion. The JPA agreement may need to be reviewed annually and make changes based on the JPA's ability to pay. The City or County may have to sign.

Richard Egan then offers the idea of a certificate of participation. Vice President Chapman states that the City Council and the County Board of Supervisors would need to discuss this annually as suggested. We should not leave it to future Boards because the program could be "held hostage" unless it is approved by the voters. We need to have the backing of the people. There will always be those for and against the pool project and those who do not voice their opinions. If those others are put to the test by voting, it can help with the on-again off-again support.
Mr. Hancock states that we are going over these options in an overview sense. We are looking at options and what to eliminate or research.

Mr. Hancock then moves onto the private funding option. He discusses the direct placement bond and private placement. **Bill Feierabend** (public) inquires as to the relative costs for these options, like interest rates. Mr. Hancock responds that in addition to interest rates there are additional costs, such as placement costs, election costs, legal counsel etc... to do the cost comparison for all of these options would be impractical. We are presenting these items now to discuss. To try to locate the most feasible options and focus our research.

Mr. Hancock then starts to discuss the public financing option. Board member Wosick states that he believes this option should not even be on the list. We stated that the County and City would pay for the pool. President Wilson states that Mr. Hancock just wants to include everything. Vice President Chapman agrees that this third option is off the table.

Mr. Hancock starts with the fourth option of self-funding. We are recommending self-funding and USDA Rural Economic Development Loans as the best options. He then describes those two options. At this time, shall we look at the possibility of the USDA loan and the City and County to see if they were willing to do the self-funding and private financing as a secondary? We are looking for direction, is there an option the Board favors more? If we choose private financing, we may need to hire a consultant. Board member Wosick states that the USDA Loan would be first prize but it may be a long shot, we may want to wait and see. Direct placement seems more of a sure thing. Board member Wosick's recommendation is the USDA first but Direct Placement Bond would be what is used. Vice President Chapman states that if we can obtain the USDA funding, then we need to grab that. But, whatever we do, we will have to take it back to the City Council and the Board of Supervisors.

Mr. Hancock then discusses a different option of using Program Income and then the USDA as a secondary option. Board member Wosick states that with having Mr. Hancock and Mr. Egan on board, we should be able to do this. Vice President Chapman states that we should securitize only a portion of this funding (building and operating only)? He then states by doing this, it makes it the "pools money". Non-securitizing it allows for future Boards to change their mind. We must have control over it now because $200,000 is worth more now than it will be ten years from now. Board member Wosick adds that we have had this discussion, the pool will be built by the existing County and City resources. The pool will be built first, then go to the voters for the operating and maintenance costs. Let us get the USDA or the Direct placement bond, then let's get it on the ballot. President Wilson states that the ballot issue has not even been brought up. President Wilson then states that Mr. Hancock may have his work cut out for him as the County and City may go opposite directions. He then suggests that we discuss with Richard Egan and bring this item back for more discussion. Vice President Chapman states that once everything is worked out, then we should go to the voters so what we accomplish.cannot be undone by future members.

Mr. Egan states that the agreement says $200,000 every year, clearly not enough to build a pool. The board will have to borrow in the construction phase. President Wilson states that we could have a choice of paying up front or every year. Vice President Chapman agrees that no part of the agreement states that money can't be upfront. The Board may want to prepay and not incur future debt or borrow to lose interest while retiring that loan debt. Mr. Hancock then shares that if it were a loan at 5-9% an entity may prefer to pay themselves interest for the pool instead of paying someone else. Mr. Hancock states that staff would look into pursuing self-funding including securitizing an income stream and CDBG Program Income Loans in addition to the USDA Rural Development Loan. We will focus on these and bring back estimates. Vice President Chapman also suggests, as an alternative, that Direct Placement Bonds be reviewed. Board member Wosick agrees with this.

Direction given to staff to look into self-funding options, USDA Rural Development Loans and Direct Placement Bonds and their interest rates and closing costs.

7C Fundraising Discussion

Mr. Hancock opens by stating that we have contributions coming in to get this public pool built. Non-profits have been discussed to make these contributions tax-exempt. It would be more prudent to have a non-profit. Mr. Jonas had information and has experience with non-profit organizations. We will keep looking to Mr. Jonas for updates. We may want to look into our own funding efforts or a combination. Vice President Chapman informs the Board that some fundraising is still going on. For instance, the Susanville Supermarket still has canisters on each of their check stands. $1,000 here and $1,000 there adds up. We will check with the schools at the next meeting in June to see the total amount of contributions.

Mr. Hancock continues that the Board has set a pretty aggressive goal and that this type of fundraising effort needs to be direct and organized. It will be necessary to put full support behind one option. Vice President Chapman states that those wanting to make larger contributions may also want that tax exempt status. Board member Wosick inquires as to why it is so difficult to set up a non-profit. Tony Jonas states that it is not hard to set up and it's not even time consuming. However, we do not have a confirmed site, we have yet to see the Roosevelt Pool Analysis, a site design etc... We will proceed once we have good, quality answers. Board member Wosick asks if he felt the community has no faith. Mr. Jonas responds, we have faith, just no answers. Board member Wosick states, once we have the site design and the confirmed site the community will have this faith. Vice President Chapman adds that it doesn't hurt to have these discussion. We just need to know what we will do once we have the answers. We are building with City/County funds. The community's "extra" funds will add enhancements to a basic pool.

Bill Feierabend states that he and Mr. Jonas have discussed this and they want to do this non-profit but, we have nothing to go with. Vice President Chapman states that the timeline shows that by the end of June, we should have the analysis, the basic site design etc... Board member McBride responds to Tony Jonas and Bill Fierabend that he is not wanting to start collecting funds yet, just trying to get the nonprofit formed. It takes 60-90 days to form and if we wait, the best collecting time will have passed. Mr. Jonas states that he has a Board but they are not wanting to start anything because of the cost commitment. They are waiting to see what happens.

President Wilson asks when the site design phase will be starting. Mr. Hancock responds it is on the schedule to start today. He states that those who would want a non-profit want tangibles, site, design etc... and once those deliverables are given then we are looking at 60-90 days. President Wilson states that we should design a pool regardless. We just need to design it in a way that allows extra features that we may want. Board member McBride states that the non-profit was supposed to be formed to help raise funds for the pool itself, not the extras. When the design comes out, the non-profit should already be good to go. Mr. Hancock responds that maybe we should start an independent group that can collect contributions and once the non-profit is formed, those collect funds can be handed over. President Wilson asks Mr. Hancock what is needed. Mr. Hancock responds that having a non-profit group offers a tax advantage but, it has to be separate from the Board. We have to have willing individuals but, they want particulars in place before they are willing to start. If we want something before that, we need to do it ourselves. Board member McBride suggests that we take pledges, but only collect on those pledges once the non-profit is formed. He then suggests the possibility of adding particular items as options that state built with non-profit funds. Mr. Jonas then expresses his concerns for funds that are in the "Pennies for the Pool" account. What if the pool is not built? Where would those funds go? If the County currently has them in an account, would they be claimed in their general account? Board member McBride states that the non-profit would be able to hold those funds once it is created. Mr. Jonas then states that he likes the pledges idea, that it would give people good faith. Board member Wosick adds that the Board shouldn't waste time, we have enough money to build the pool with our contributions, non-profit dollars can be for extras.

Direction to staff to keep working with Mr. Jonas and bring back an update in a month.

7D Site Design Discussion

Mr. Hancock states that the site design phase must start with the Board, what are our priorities with the money we already have committed? We brought in a survey created by the Aquatic Design Group and we really appreciate the County for sharing this survey with us. When the County began this process only three surveys were filled out and returned but, it has good categories. It may be too detailed but it was put together by the Aquatic Design Group who are also doing our preliminary site design. Do we want to use this survey? If not, what changes would you like to see, additions or deletions? We need to have as many people as possible fill these out. We are aware that our minimum is an outdoor seasonal pool. Are there any extras that we will look into? We are looking for feedback on this survey, or an adjusted survey, or a new one, the choice is yours. Board member Wosick suggests not taking anything out as the public will decide what they don't find important but maybe add items. Maybe even put it in the paper to clip out to get it out to the most people. Mr. Hancock states that we could do that, or offer drop boxes at certain locations. He also suggest an online survey site, Survey Monkey.

Board member McBride suggests taking off the competitive portion of the survey. He requests that the Board discusses what they want first to make sure everyone is on the same page. Do we all want an "L" shape pool? Mr. Hancock states that we can post in the paper what the Board desires so we can get the best feedback possible. Board member McBride agrees stating the public should be able to show what they want. President Wilson states that this will be difficult. Some people know what these items are were others will not. This could be skewed really easily. We will build as much as we can with as little as we have.

Unidentified public member – States that he does not feel that the survey should go out prior to the site being chosen. The final site may not be able to hold the desired elements.

Vice President Chapman states that both the site selection and site design must be completed in a tandem manner. We promised a basic pool. Services provided at that pool can be modified so I think it's premature to put something like this out. We need to see what we want to get. Mr. Hancock asks what they though a basic pool is, maybe this needs to be addressed by everyone. Vice President Chapman responds, yes, this needs to be discussed here, with the public. What we build, based on location and if the community wants us to add more, so be it. Mr. Hancock responds that he may have an idea of basics that could help. Board member Wosick states that we have had this discussion before. Instead of us choosing, he thought the public was going to decide. We were to choose the site, and design the pool to accommodate the site based on the meeting with the public. The process is moving forward but I believe it's unraveling.

Mr. Hancock states yes, we are to design a basic pool but other items have come up. This Board needs to agree that the vision of a basic pool is the same. Board member McBride inquires about what kind of pool they will bring to the public. We need to decide on seasonal and outdoor. If we only get their feedback and we can't give them that, they will be disappointed. Let the public choose spring boards, slides etc... The Quincy pool has a pool that is within our reach to build. We should create a seasonal pool matching Quincy's, it would be great for Susanville. Mr. Jonas discusses the Quincy pool with the Board and states that "basic pools" can be described by just square footage.

Mr. Hancock requests information on what the Board desires, covered vs. not, with the response of cost will probably not allow it to be covered, 25 yards for competition, response of yes. At least 8 lanes, response of at least 6 but 8 is preferred. ADA access should be lifts or shallow end with slope, lifts were preferred. Diving blocks at one end or both, one end was preferred. Deep well required for classes, certifications and diving boards. Board member Wosick states that he thinks we need to accommodate the future, he wants diving and 8 lanes. He doesn't want to pool outdated in 15 years. Board member McBride adds that he would like to see 8 lanes with diving boards and slides. We want the items that make kids yell at their parents that they want to come to the pool. We need to focus on recreation to keep the cost down for us. President Wilson states that we need to weigh that against the deep end as only half of the pool will be used. This may be where we need the help of the Aquatic Design Group. Board member McBride adds that he wants us on the same page before going to a design group. Mr. Jonas adds that he has three different plans worked out with square footage and costs but he has them at home. If wanted, he could bring them to the next meeting. Mr. Hancock asks about sufficient deck space, if there will be a second pool as Quincy has a "toddler pool", or if we would go for a splash park, therapy pool. What parts would they consider in the "basic pool"

design. Board member Meserve states that he would be for a 25 yard by 25 meter pool with 8 lanes as the size would allow for therapy. Mr. Hancock stats that based on these basic design parameters, we will not be boxed in. Any other pool "must haves" before we move on to the building part? Quincy only has a small office, concession stand and separate men's and women's locker rooms. He then requests the Board to let him use the information that we have been given to put things together to give to the Board prior to going out to the public. We will come up with 2 designs and hold onto the survey for now. He then asks the Board to review the survey and give staff direction.

Board member Meserve asks if we can decide on a shape because he likes the idea of an "L" shaped pool. Board member McBride wants to thank everyone as he felt that it was very important to have this discussion and Board member Wosick inquires as to whether or not the Board is to make notes on the survey. Mr. Hancock responds that we would like them to review and let us know what they would like to see on it.

Direction to send survey via email to Board members.

8: BOARD MEMBER ISSUES/REPORTS: None.

At 5:10 p.m. President Wilson called for a five minute break prior to the recessing to closed session.

PUBLIC COMMENT TO CLOSED SESSION ITEMS: (if any): Any person may address the Board at this time upon any discussion during Closed Session.

CLOSED SESSION: At 5:20 p.m. the Honey Lake Valley Recreation Authority recessed to closed session to discuss the following:

A. PROPERTY NEGOTIATIONS

RETURN TO OPEN SESSION: At 6:20 p.m. the Honey Lake Valley Recreation Authority reconvened in open session.

Direction given to staff; no reportable action taken.

ADJOURNMENT: Meeting adjourned at 6:25 p.m.

Brian Wilson, President

Respectfully Submitted by

Heidi Whitlock, Project Manager