

**HONEY LAKE VALLEY RECREATION AUTHORITY
GOVERNING BOARD MEETING
Regular Meeting Minutes
November 3, 2015 – 3:00 p.m.
City Council Chambers 66 North Lassen Street Susanville CA 96130**

Meeting was called to order at 3:05 p.m. by President Wilson

Roll Call of Board of Directors present: Kathie Garnier, Tom Hammond, Jim Chapman and Brian Wilson. Absent: Dave Meserve.

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

APPROVAL OF AGENDA: Motion by Board member Hammond, second by Board member Garnier to approve the agenda as posted; motion carried unanimously. Absent: Meserve.

4 APPROVAL OF MINUTES: President Wilson stated action on minutes will be taken at the end of the meeting.

5 CORRESPONDENCE: None.

6 PUBLIC COMMENT: None.

7 MATTERS FOR BOARD CONSIDERATION:

7A Update on Financials

Ms. Cardenas opened by stating that the information provided in the packet did not include the County's contribution, which has now been paid. The total amount currently in the HLVRA account is \$2,782,936.88 but the County's \$200,000 has yet to be transferred into the HLVRA account. Vice President Chapman inquired as to why the \$200,000 has yet to be transferred and discussion continued. Vice President Chapman stated that, once the transfer occurs, it would bring the total amount to roughly \$2.9 million.

President Wilson inquired about how we were going to ensure the funds were transferred in a timely manner in future years. He suggested a due by date. Mr. Hancock stated that it may be listed in the agreement but may not be specific, staff would check the language. Vice President Chapman stated that he wanted a better way of tracking the payments and to have it implemented.

Eileen Spencer (public) stated her concern about the manner in which staff is paid and how the bills used to be presented to the Board for payment but have not been since KanWeHelp inquired about the lack of supporting documentation. Mr. Hancock responded that claims under \$10,000 did not have to go to the Board for approval per the purchasing policy. Vice President Chapman stated that he wanted staff to follow the policy the HLVRA has in place however, he would like to see an itemization of the bills occasionally to ensure the public can see what funds are being spent on. Ms. Cardenas inquired on how often they would like to see this itemization and it was requested to come back to the Board monthly.

7B Review and Approve CAPRI Documents

Mr. Hancock stated that a lot of time has been spent looking into insurance options for the JPA and that there are not a lot of risk pools that will cover a recreation facility. The best fit that staff has found is with the California Association for Park and Recreation Indemnity (CAPRI). Staff has been working with CAPRI to investigate our ability to join them and their Board approved the HLVRA being added to the group. The first year will cost \$3,839 for the

liability/construction coverage. Mr. Hancock stated that it may be a good time to call the attorney, who was on stand-by for this discussion, Maggie Stern. Mr. Hancock called and updated Ms. Stern on the discussion.

Mr. Hancock stated that Resolution No. 15-05 would start the process for the HLVRA to join CAPRI. Included is also an agreement with CAPRI, the bylaws and the copy of the agenda item that went to CAPRI's board. He added that CAPRI looked into it, and although the HLVRA is not a special district, it still qualifies for the program. However, the attorney thought it best to point out a few areas of note including a three year commitment and the limited ability to obtain a seat on the board as there are 61 agencies with only 7 seats on the board. Mr. Hancock stated that this is the only option found at this time.

Board member Garnier confirmed that the \$3,839 covered liability and construction but inquired as to how far into construction. Mr. Hancock responded that there are two parts to the insurance needs. The first is during construction and before staffing is needed and the second includes the need for staffing and liability coverage during operation for coverage once operational. The premium given should be relatively unchanged until the pool opens. Staff is still awaiting quotes.

Vice President Chapman inquired as to whether or not the attorney reviewed the documents. Ms. Stern responded that she had. Vice President Chapman stated that he just wanted to ensure it was reviewed as there was no place stating that she had and suggested that the Board start referencing our legal counsel in the documents.

Vice President Chapman then inquired about the \$240,000 listed as payroll costs. Mr. Hancock responded that it was asked in the CAPRI questionnaire to provide the "highest" estimate. Vice President Chapman stated that \$100,000 should be a more accurate estimate. Mr. Hancock responded that \$100,000 would be on the lower end of the scale. He added that CAPRI also requested FTE's once the pool opens and states that the quote given to us by CAPRI at this time is not based on the estimates provided.

President Wilson stated that the Board will want to know what those costs will be prior to signing on for three (3) years. Mr. Hancock responded that he would ask them to provide numbers from another, similar, group since we cannot produce hard numbers at this time.

Vice President Chapman stated that between \$100,000 and \$240,000 would be a more appropriate number and if we are going to offer an estimate, we should offer a lower one.

Mr. Hancock stated that staff will look into the estimate and the questionnaire and ask for a cost breakdown based on the percentage of payroll.

President Wilson suggested that we contact Quincy about their payroll numbers and how many are on their payroll. He agreed that \$240,000 was a high number. He asked Mr. Hancock if he knew of anyone else who has used CAPRI where they come back and ask for an increase later. He then asked for confirmation that the amount requested now, the \$3,839, would stay the same until such time that the pool is built. Mr. Hancock responded yes, until the pool is fully operational.

President Wilson then inquired about other documents such as the contract, policy and forms in case a file needed to be filed. Mr. Hancock responded that we can get him those documents, but they will be lengthy. Mr. Hancock added that we can also obtain numbers for a percentage of payroll such as \$80,000 will cost "x" or if \$120,000 it will cost "y". We will also bring back the numbers for membership dues.

President Wilson inquired as to when it needed to be in place. Mr. Hancock responded that as soon as possible and especially once people are on site.

Board member Garnier expressed concerns about the admission fees for the CAPRI JPA because it states that the Board of Directors determines the fees to be paid, and if they could change, she wanted to know what that fee will be. Mr. Hancock responded that he will look into it as he thinks it is stated in CAPRI's bylaws. He then stated that this item will be brought back to the Board once we receive the responses to the inquiries.

7C Design-Build Services Proposal Update

Mr. Hancock stated that this item is related to granting a contract for design-build services for the pool. He continued with a brief description of the process for those in the audience who may not have been in attendance previously. Mr. Hancock then stated that staff received three proposals for prequalification, two of which met the requirements. Out of those who prequalified, Modern Building Inc. and Tricon, submitted design-bid proposals. He then stated his appreciation to those who were on the review committee.

Mr. Hancock continued that the Board had in front of them the proposed three part contract consisting of the agreement, general condition and supplementary conditions along with the complete proposals from each firm. He stated that staff recommended contracting with Modern as their phase 1 price was under \$100,000 and their total project cost fell just under \$3 million for their guaranteed maximum price (GMP). He continued that staff requested a GMP to give us flexibility during the design phase. He added that the next step would be to design the project using value engineering and prepare plans and specifications to get the engineer to bring that number down to the \$2.5 million range or by working with us. Mr. Hancock then stated that Modern Building has been given the documents and they have been reviewing them since last week and shared that their input should be arriving in the next week or so. He then stated that the review group unanimously decided on Modern Building but, we wanted to bring it to the Board for comments.

Board member Hammond inquired about the geotechnical report and Mr. Hancock responded.

Board member Garnier inquired about Tricon using a stainless steel pool. Mr. Hancock responded that yes they included the option, but at an additional cost, per the proposal.

Vice President Chapman expressed concerns on Modern's proposal including the listing of PG&E instead of LMUD and that the sewer and geothermal were lumped into one utility. Mr. Hancock responded that they are just listing various utilities. They are simply stating that if they call the utility companies and certain connection sizes are required, the amount was not listed in the proposal.

Vice President Chapman inquired about the triangular piece of property that staff was supposed to request be gifted to the JPA. Mr. Hancock responded that the County and City are working together to figure out a storage materials solution etc. and that he will continue to look into this.

Vice President Chapman also inquired as to why no lifeguard chairs or pool equipment included in the proposal cost. Mr. Hancock responded that "furniture" was not to be included in the proposal. However, costs associated with anything required to be a competitive pool must be included.

President Wilson asked Ms. Stern for confirmation that if, after phase 1 was completed, the Board chose not to continue on to phase 2 with Modern, there would not be a penalty. Ms. Stern responded that the JPA is not required to contract with them for phase 2 if the Board is not happy. She stated that after phase 1, they can go out to bid again with the documents from phase 1 if needed, as the documents are what is being paid for. It would make the process longer but it is an option if the Board is not satisfied.

President Wilson then inquired as to whether the \$150,000 contingency is in addition to the construction amount. Ms. Stern responded, yes. Conversation continued on the ability of the contractor to increase the GMP if desired. It was stated that the process was strict and certain criteria must be met and would require approval prior to the GMP being increased.

Eileen Spencer expressed her concern on how the RFP was not publically available and the process being kept secret. She also inquired as to why we are moving the line from \$2.2 million to \$3 million. President Wilson responded that the line had not been moved, we did not have the \$3 million, and this is where the current conversation was started.

Bill Feireabend (public) stated that he is feeling half full about the pool. It may be moving at a slower pace but it is happening and that the County and City have both acquired funding, he is just happy the process is moving forward.

Vice President Chapman suggested asking the four pools listed in the proposal for Modern, along with the Quincy pool, about their personnel costs. Also, he inquired as to how we listed a \$2.2 million GMP and still considered a \$2.9 proposal to be responsive. Mr. Hancock responded that the \$2.2 million GMP listed in our RFP did not include contingencies, it was a bare bones amount. He continued that the proposals were submitted this way because it is what we asked them to do. He proceeded to go through the list on page 9 of the Modern proposal stating that, for instance, one item would be \$7,500. However, if changes were needed it would not cost more but, there is always the possibility that it would cost less. Mr. Hancock continued to go through other areas where the costs could potentially be reduced or taken out. He then stated that all of these individual items will be discussed during the phase 1 design process.

Bill Feireabend stated that his concern was that the pool was still going to be built with the possibility to have it covered at a later date and if we have the design completed before Christmas, it would make him even happier.

Mr. Hancock stated that if the Board chose to go with Modern, they are an experienced firm. It would be \$100,000 on the line to complete design and prepare plans and specifications completed. We have the agreement and conditions right now and we can bring it back with them at the next meeting or we can work with them to finalize the agreement, or we can start over.

Vice President Chapman inquired as to whether or not the review committee had read the agreement or if the attorney had. Mr. Hancock responded that the committee had not but the attorney drafted the contract. Ms. Stern responded that she had and felt that this agreement, with the conditions, was very thorough. Vice President Chapman asked if she had heard of any new legislation that would counter anything in the contract as written. She responded that she was not aware of any recent legislation that would but she would notify Mr. Hancock if anything came up as well as work with the Contractor.

Motion by Vice President Chapman, second by Board member Garnier, to enter into an agreement with Modern Building Inc., for the design build project.

Vote polled: Chapman, Aye, Garnier, Aye, Hammond, Aye, and Wilson, Aye. Absent: Meserve.

8 BOARD MEMBER ISSUES/REPORTS: None.

Approval of minutes was revisited.

Motion by Board member Garnier, second by Board member Hammond, to approve minutes for September 21, 2015 meeting. Motion carried unanimously. Absent: Meserve.

Minutes for September 1, 2015 minutes held until next meeting.

ADJOURNMENT: Meeting adjourned at 4:57 p.m.


Brian R. Wilson, President

Respectfully Submitted by


Heidi Whitlock, Project Manager

Approved February 2, 2016