

LIGHTHOUSE FOR CHILDREN, INC. BOARD MEETING

Date: Friday, October 24, 2014

550 E. Shaw Ave.

230A Room

Fresno, CA 93710

Time: 11:00 am

AGENDA

ITEM	SUBJECT	PRESENTER
1.	CALL TO ORDER	Chair Perea
2. Action Pg. 1	APPROVE MINUTES FROM SEPTEMBER 17, 2014, REGULAR BOARD MEETING Supporting Document	E. Reyes, E.D
3. Action Pg. 3	REVIEW BUDGET VS. ACTUAL REPORT AS OF AUGUST 2014 Supporting Document	Chair Perea E. Reyes, E.D
4. Action Pg. 5	REVIEW AND APPROVE A CONTRACT AMENDMENT WITH NATURAL PLAYGROUNDS COMPANY, LLC FOR THE OUTDOOR NATURAL PLAYGROUND DESIGN & CONSTRUCTION SERVICES AGREEMENT FOR AN ADDITIONAL AMOUNT OF \$29,000, IN AN AMOUNT NOT TO EXCEED \$207,000 AND DELEGATE EXECUTION AUTHORITY TO THE BOARD CHAIR AND EXECUTIVE DIRECTOR Supporting Document	E. Reyes, E.D S. Rapada
5. Action Pg. 7	REVIEW AND APPROVE VALUE ENGINEERING (VE) CHANGE ORDER REQUEST (COR) WITH DURHAM CONSTRUCTION IN AN AMOUNT NOT TO EXCEED \$350,000 Supporting Document	E. Reyes, E.D S. Rapada
6. Information	LIGHTHOUSE FOR CHILDREN PROJECT STATUS REPORT	E. Reyes, E.D S. Rapada
7.	PUBLIC COMMENT	Chair Perea
8.	ADJOURNMENT	Chair Perea
<u>NOTE:</u>	REGULAR MEETING – November 19, 2014, 2:00 p.m.	550 E. Shaw Ave. Inyo/Kern Room Fresno, CA 93710

NOTE: If you need disability modification(s) and/or other accommodation(s) in order to participate in this meeting, please contact the office at (559) 241-6515 at least 48 hours prior to the start of the meeting. Government Code Section 54954.2(a).

LIGHTHOUSE FOR CHILDREN, INC.
BOARD MEETING

October 24, 2014 –11:00 am

**550 E. Shaw Ave.
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AGENDA ITEM NO.2

RECOMMENDED ACTION:

Approve Board Meeting Minutes – September 17, 2014

ACTION SUMMARY MINUTES

September 17, 2014 — 12:00 P.M.

Present: Henry Perea (Chair), Shannon Koontz, Lisa Nichols, Stacy Sablan

Absent: Hugo Morales

Staff: Emilia Reyes, Alix Hillis, Harim Martinez, Hannah Norman, Steve Rapada, Erlan Zuniga, Surachai Xiong, Ken Price (Legal Counsel)

1. CALL TO ORDER

2. APPROVE MINUTES FROM SEPTEMBER 17, 2014, REGULAR BOARD MEETING

Public Comment: None heard.

Motion by: Sablan

Second by: Nichols

Ayes: Koontz, Nichols, Perea, Sablan

Noes: None heard.

3. REVIEW AND APPROVE A CONTRACT WITH PACIFIC SOLAR COMPANY, FOR A SOLAR PHOTOVOLTAIC DESIGN-BUILD SYSTEM, IN AN AMOUNT NOT TO EXCEED \$914,512

Public Comment: None heard.

Motion by: Nichols

Second by: Koontz

Ayes: Koontz, Nichols, Perea, Sablan

Noes: None heard.

4. LIGHTHOUSE FOR CHILDREN PROJECT STATUS REPORT.

EMILIA REYES, FIRST 5 FRESNO COUNTY EXECUTIVE DIRECTOR, GAVE THE FOLLOWING UPDATES ON THE PROGRESS OF THE LIGHTHOUSE FOR CHILDREN FACILITY:

THE LEASE AGREEMENT WITH FRESNO ECONOMICS OPPORTUNITIES COMMISSION OF WILL BE COMPLETED BY THE END OF OCTOBER.

FRESNO UNIFIED SCHOOL DISTRICT HAS EXPRESSED INTEREST IN POTENTIALLY LEASING SPACE ON THE FIRST OR THIRD FLOOR OF THE LIGHTHOUSE FOR CHILDREN FACILITY. STAFF IS CURRENTLY IN CONVERSATION WITH THEM TO SEE IF THE FACILITY CAN ACCOMMODATE THEIR NEEDS.

LASTLY, AN AGENDA ITEM FOR CONFERENCING SPACE ON THE THIRD FLOOR OF THE FACILITY WILL BE BROUGHT TO THE BOARD FOR APPROVAL AT THE OCTOBER MEETING.

Public Comment:

DIANE SHARP JOHNSON, FIRST 5 FRESNO COUNTY COMMISSIONER, ASKED ABOUT PARKING OPTIONS AVAILABLE FOR GUESTS OF THE LIGHTHOUSE FOR CHILDREN FACILITY AS A RESULTS OF THE POTENTIAL EXPANSION.

5. PUBLIC COMMENT

Public Comment: None Heard.

NO ACTION REQUIRED.

6. ADJOURNMENT

LIGHTHOUSE FOR CHILDREN, INC.
BOARD MEETING

October 24, 2014 –11:00 am

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AGENDA ITEM NO.3

TO: Lighthouse for Children Board Members
FROM: Emilia Reyes, Executive Director
SUBJECT: Accept Budget vs. Actual Report for Period Ending August 31, 2014

RECOMMENDED ACTION:

Accept Budget vs. Actual Report for period ending August 31, 2014.

REASON FOR RECOMMENDED ACTION:

This item is intended to keep the Board informed of the Lighthouse for Children (LFC) facility budget and financial activity as of August 31, 2014.

KEY POINTS:

Revenues (100%)

- The interest revenue will continue to accrue and is expected to meet budget projected amounts.

Hard Costs (40%)

- The below percentage against budget (67%) has to do with expenses paid after draws are completed and funds are received from Chase Bank.

FISCAL IMPACT:

Overall expenses are at 48% and are within budget constraints. The 19% difference between the projected expenses and the actual expenses is due to delay in receiving funds from bank draws, which in turn delays payments on outstanding expenses.

LIGHTHOUSE FOR CHILDREN
BUDGET VS. ACTUAL
AUGUST 31, 2014 (67%)

Revenues				
	<u>Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance</u>	<u>% of Budget</u>
Revenues	\$16,285,375	\$16,285,375	\$0	100%
Interest Revenue	\$20,000	\$12,386	\$7,614	62%
LIIF Interest Revenue	\$700	\$294	\$406	42%
CVNMTC Interest Revenue	\$700	\$383	\$317	55%
Total Revenues	\$16,306,775	\$16,298,437	\$8,338	100%

Project Budget				
	<u>Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance</u>	<u>% of Budget</u>
Land Costs				
Land	\$601,792	\$601,672	\$120	100%
Total Land Costs	\$601,792	\$601,672	\$120	100%

Hard Costs				
Shell Contract	\$9,483,000	\$4,047,052	\$5,435,948	43%
Sitework (Playground, Landscape)	\$310,000	\$1,325	\$308,675	0%
Furniture, Fixtures, and Equipment	\$910,000	\$202,448	\$707,552	22%
Excess Funds from Reduced Contract	\$717,000	\$421,614	\$295,386	59%
Hard Cost Contingency	\$535,150	\$118,287	\$416,863	22%
Total Hard Costs	\$11,955,150	\$4,790,727	\$7,164,423	40%

Soft Costs				
Architectural/Engineering	\$714,000	\$631,347	\$82,653	88%
Soft Costs	\$299,407	\$229,173	\$70,234	77%
Permits and Fees	\$161,867	\$161,452	\$414	100%
Move-in	\$87,140	\$46,200	\$40,940	53%
Project Management Consultants	\$265,580	\$93,682	\$171,898	35%
Title/Closing Inspections & Economic Study	\$63,760	\$47,408	\$16,352	74%
CDE Expense Reimbursements	\$26,600	\$26,600	\$0	100%
NMTC Transaction Cost	\$555,321	\$555,321	\$0	100%
Developer Fee @ Closing	\$326,989	\$326,989	\$0	100%
Soft Cost Contingency	\$396,175	\$84,445	\$311,730	21%
Total Soft Costs	\$2,896,839	\$2,202,618	\$694,221	76%

CDE Fees and Reserves				
CVN Fee Reserve Deposits	\$373,700	\$62,916	\$310,784	17%
LIIF Fee Reserve Deposits	\$367,500	\$50,636	\$316,864	14%
Total CDE Fees and Reserves	\$741,200	\$113,552	\$627,648	15%

Total Project Costs	\$16,194,981	\$7,708,568	\$8,486,413	48%
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Contract Awards				
	<u>Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance</u>	<u>% of Budget</u>
Baker Manock	\$150,000	\$131,548	\$18,452	88%
Blair Church & Flynn	\$12,200	\$10,850	\$1,350	89%
Central Valley New Market Tax Credit - CDE Fees	\$373,700	\$121,558	\$252,142	33%
Comprehensive Planning Associates	\$6,000	\$1,781	\$4,219	30%
County of Fresno Department of Public Works	\$27,500	\$7,400	\$20,100	27%
Cresco	\$4,000	\$4,000	\$0	100%
Durham Construction	\$9,483,000	\$4,047,052	\$5,435,948	43%
Durham Construction (Hard Cost Contingency)	\$535,150	\$118,287	\$416,863	22%
Durham Construction/Taylor Group (Excess Funds)	\$717,000	\$421,614	\$295,386	59%
James G Palmer	\$2,250	\$2,250	\$0	100%
Kitchell/CEM, Inc.	\$167,000	\$63,390	\$103,610	38%
Krazan & Associates	\$82,000	\$70,840	\$11,160	86%
Laloo Weeks LLP	\$28,500	\$10,000	\$18,500	35%
Louis Torelli	\$55,000	\$44,100	\$10,900	80%
Low Income Investment Fund - CDE Fees	\$367,500	\$55,000	\$312,500	15%
Natural Playground Company	\$178,000	\$1,325	\$176,675	1%
New Tangram LLC	\$722,000	\$202,448	\$519,552	28%
Pamela Shaw	\$7,000	\$5,870	\$1,130	84%
Parallel Tek	\$115,000	\$0	\$115,000	0%
Salem Engineering	\$12,000	\$500	\$11,500	4%
Stanley Security	\$43,000	\$0	\$43,000	0%
Taylor Group Architects	\$714,000	\$654,009	\$59,991	92%
Technicon	\$3,800	\$3,800	\$0	100%
Total Contract Awards	\$13,805,600	\$5,977,623	\$7,827,977	43%

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AGENDA ITEM NO.4

TO: Lighthouse for Children Board Members

FROM: Emilia Reyes, Executive Director

SUBJECT: Review and Approve a Contract Amendment with Natural Playgrounds Company, LLC for the Outdoor Natural Playground Design and Construction Services Agreement for an Additional Amount of \$29,000 in an Amount Not to Exceed \$207,000 and Delegate Execution Authority to the Board Chair and Executive Director.

RECOMMENDED ACTION:

Approve a contract amendment with Natural Playgrounds Company, LLC for the outdoor natural playground design and construction services agreement for an additional amount of \$29,000, in an amount not to exceed \$207,000 and delegate execution authority to the Board Chair and Executive Director.

REASON FOR RECOMMENDED ACTION:

Background: On April 23, 2014, the Lighthouse for Children (LFC) Board awarded Natural Playgrounds Company, LLC (NPC) a contract to design and build the outdoor natural playground (ONP) for the LFC facility. The design, construction and equipment installation for the playground was originally not to exceed \$178,000, of which \$23,200 was designated for design services leaving \$154,800 for construction and equipment installation.

Over the last several months, staff worked with NPC, the child development center contractor (Fresno Economic Opportunities Commission) and California child care licensing personnel to finalize the design of the ONP. The final design submitted by NPC is for a playground area of ten thousand (10,000) square feet, including 1,000 square feet for the required Safe Dispersal Area and 9,000 square feet of divided ONP for infant, toddler and preschool age children.

Construction costs were recalculated upon completion of the final design, which included all components the group determined as essential to optimal learning experiences within the ONP. The cost of construction and equipment installation is now \$183,800, \$29,000 above the original estimated budget of \$154,800, making the total project cost now \$207,000.

Originally, the cost of construction was an estimate derived from information provided by the LFC child development center consultant. This amendment would allow all elements of the final ONP design to remain intact, creating the best possible outdoor learning environment for the children of the LFC child development center.

Procurement Procedure and Process: Following the process to amend/augment an existing contract, no procurement was required.

FISCAL IMPACT:

If approved, the recommended amount, not to exceed \$29,000 will be allocated from the approved Lighthouse for Children Facility Budget line items as follows: \$17,000 from Hard Cost Site Work and \$12,000 from Hard Cost Furniture, Fixtures & Equipment.

FUTURE IMPLICATIONS:

If approved, NPC will work with the LFC construction team to install the child development center outdoor natural playground infrastructure and equipment within the construction phase timeline.

LIGHTHOUSE FOR CHILDREN, INC.
BOARD MEETING

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AGENDA ITEM NO.5

TO: Lighthouse for Children Board Members

FROM: Emilia Reyes, Executive Director

SUBJECT: Review and Approve Value Engineering (VE) Change Order Request (COR) with Durham Construction in an Amount Not to Exceed \$350,000

RECOMMENDED ACTION:

Approve a COR with Durham Construction, General Contractor (GC) for the Lighthouse for Children (LFC) building project, in an amount not to exceed \$350,000 and delegate execution authority to Shannon Koontz, Board Member, and Emilia Reyes, Executive Director. The COR would allow for the addition of third floor conference, lobby, hallway space and complete Heating Ventilation Air Conditioning (HVAC) system.

REASON FOR RECOMMENDED ACTION:

Background: In November of 2013 Durham Construction was awarded the GC contract to build the LFC facility and construction began in January 2014.

The original GC call for bid released on August 21, 2013 was over budget by approximately \$2.49 million dollars resulting in the need for VE. To reach the goal of bringing project bids at or under budget, VE was performed on the plans resulting in removing the third floor construction components, leaving it as a cold shell. Due to VE, Durham Construction's bid was \$9,483,000, \$717,000 less than the approved budget amount of \$10,200,000 for hard cost. The \$717,000 was then approved under the New Market Tax Credit (NMTC) Hard Costs Excess Funds from Reduced Contract line item to provide for future VE put backs. Additionally a NMTC Hard Cost Contingency line item and a NMTC Hard Cost Furniture Fixtures & Equipment (FF&E) line item were added to the approved NMTC budget. Approximately \$552,000 remains in these three budget line items.

Per board direction on September 17, 2014, staff worked with the construction team, including the architects, engineers, general contractor and subcontractors to develop a COR design and cost estimate to provide third floor space utilizing existing budgeted funds.

In accordance with board direction, staff has continued to work with board member Koontz as the final authorized signer for all COR. However, due to the change of direction regarding the third floor as well as the high dollar amount, board member Koontz and staff agreed that the LFC Board should directly take formal action on the COR, detailed below:

- The COR in an amount not to exceed \$350,000, is to construct a conference room space, large enough to accommodate approximately 110 people, adjacent lobby area and required emergency exit hallway on the third floor of the LFC facility. In addition the HVAC system would be constructed for the entire third floor, to provide part of the tenant improvements (TI) necessary for future tenant lease space.

Staff continues to diligently work with the construction team and board member Koontz, in mitigating contingency and put back costs. The team feels that the large put back costs and contingency items are installed and continued changes will be minimal cost amounts.

Procurement Procedure and Process: The COR process was followed as outlined in the GC contract under Article V for changes in the work to be done under the Agreement. It was not required to procure for these alterations.

FISCAL IMPACT:

If approved, the recommended amount, not to exceed \$350,000, will be allocated from the approved Lighthouse for Children Facility Budget line items, \$50,000 Excess Funds from Reduced Contract, \$250,000 Hard Cost Contingency and \$50,000 Furniture Fixtures & Equipment.

FUTURE IMPLICATIONS:

If approved, Durham Construction Company, Inc. will work with the LFC construction team to design and install the third floor changes within the construction phase timeline providing adequate conference space for the LFC.