

# LIGHTHOUSE FOR CHILDREN, INC. BOARD MEETING

**Date:** Wednesday, June 18, 2014

**Time:** 12:00 pm

First 5 Fresno County  
550 E. Shaw, Inyo/Kern  
Fresno, CA 93710

## AGENDA

ITEM	SUBJECT	PRESENTER
1.	<b>CALL TO ORDER</b>	Chair Perea
2. <b>Action</b> Pg. 1	<b>APPROVE MINUTES FROM APRIL 23, 2014, REGULAR BOARD MEETING</b> Supporting Document	K. Rogers, E.D.
3. <b>Action</b> Pg. 2	<b>REVIEW BUDGET VS. ACTUAL REPORT AS OF APRIL 30, 2014</b> Supporting Document	K. Rogers, E.D. E. Reyes, Staff
4. <b>Action</b> Pg. 4	<b>REVIEW AND APPROVE A CONTRACT AUGMENTATION WITH KITCHELL/CEO, FOR CONSTRUCTION PHASE CONSULTING SERVICES FOR AN ADDITIONAL AMOUNT OF \$17,000 IN AN AMOUNT NOT TO EXCEED \$167,000 AND DELEGATE EXECUTION AUTHORITY TO THE BOARD CHAIR AND EXECUTIVE DIRECTOR</b>	K. Rogers, E.D. S. Rapada
5. Informational	<b>LIGHTHOUSE FOR CHILDREN PROJECT STATUS REPORT</b>	K. Rogers, E.D.
6.	<b>PUBLIC COMMENT</b>	Chair Perea
7.	<b>ADJOURNMENT</b>	Chair Perea

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**

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**AGENDA ITEM NO.2**

**AGENDA ITEM 2**

**RECOMMENDED ACTION:**

Approve Board Minutes – May 28, 2014

**ACTION SUMMARY MINUTES  
May 28, 2014 — 4:00 P.M.**

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

**Absent:** None.

**Staff:** Kendra Rogers, Emilia Reyes, J.D. Garza, Alix Hillis, Steve Rapada, Ken Price (Legal Counsel)

**1. CALL TO ORDER**

**2. APPROVE MINUTES FROM APRIL 23, 2014, REGULAR BOARD MEETING**

Public Comment: None heard.

Motion by: Morales Second by: Nichols  
Ayes: Perea, Koontz, Morales, Nichols, Sablan  
Noes: None heard.

**3. REVIEW AND APPROVE VALUE ENGINEERING (VE) CHANGE ORDER REQUEST (COR) 011.21, WITH DURHAM CONSTRUCTION, THE GENERAL CONTRACTOR (GC) FOR THE LIGHTHOUSE FOR CHILDREN (LFC) BUILDING PROJECT, IN AN AMOUNT NOT TO EXCEED \$148,793**

Public Comment: None heard.

Motion by: Nichols Second by: Morales  
Ayes: Perea, Koontz, Morales, Nichols, Sablan  
Noes: None heard.

**4. LIGHTHOUSE FOR CHILDREN PROJECT STATUS REPORT**

Public Comment: None Heard.

**NO ACTION REQUIRED.**

**5. PUBLIC COMMENT**

Public Comment: None Heard.

**6. ADJOURNMENT**

**LIGHTHOUSE FOR CHILDREN, INC.**  
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**AGENDA ITEM NO.3**

TO: Lighthouse for Children Board Members

FROM: Kendra Rogers, Executive Director

SUBJECT: Review and Approve Budget vs. Actual Report for Period Ending April 30, 2014

**RECOMMENDED ACTION:**

Review and approve Budget vs. Actual Report for period ending April 30, 2014

**REASON FOR RECOMMENDED ACTION:**

This item is intended to keep the board informed of the Lighthouse for Children facility budget and financial activity as of April 30, 2014.

**KEY POINTS:**

Overall Project Budget (23%) – Project costs are within budget limits.

- Construction is on schedule.

A request for advanced funds was submitted to the New Market Tax Credit Investor, JPMorgan Chase. The funds are to reimburse contractors for expenses incurred as of April 31, 2014. Lighthouse for Children received the funds on May 13, 2014. As a result, all contractors received payment by May 13, 2014 and these expenses will be reflected on the May 2014 budget vs. actual report to be presented in the next Board Meeting.

**FISCAL IMPACT:**

All expenses are within budget constraints.

LIGHTHOUSE FOR CHILDREN  
BUDGET VS. ACTUAL  
AS OF APRIL 30, 2014

Project Budget				
	Budget Amounts	Actual Amounts	Variance	% of Budget
<b>Land Costs</b>				
Land	\$601,792	\$601,672	\$120	100%
<b>Total Land Costs</b>	<b>\$601,792</b>	<b>\$601,672</b>	<b>\$120</b>	<b>100%</b>
<b>Hard Costs</b>				
Shell Contract	\$9,522,173	\$975,121	\$8,547,052	10%
Sitework (Playground, Landscape)	\$310,000	\$0	\$310,000	0%
Furniture, Fixtures, and Equipment	\$910,000	\$202,448	\$707,552	22%
NMTC Additional Funds from Add Ons	\$717,000	\$0	\$717,000	0%
Hard Cost Contingency	\$495,977	\$0	\$495,977	0%
<b>Total Hard Costs</b>	<b>\$11,955,150</b>	<b>\$1,177,569</b>	<b>\$10,777,581</b>	<b>10%</b>
<b>Soft Costs</b>				
Architectural/Engineering	\$714,000	\$647,146	\$66,854	91%
Soft Costs	\$299,407	\$139,214	\$160,193	46%
Permits and Fees	\$161,867	\$49,154	\$112,712	30%
Move-in	\$87,140	\$27,847	\$59,293	32%
Project Management Consultants	\$219,580	\$22,641	\$196,939	10%
Title/Closing Inspections & Economic Study	\$63,760	\$41,408	\$22,352	65%
CDE Expense Reimbursements	\$26,600	\$26,600	\$0	100%
NMTC Transaction Cost	\$555,321	\$555,321	\$0	100%
Developer Fee @ Closing	\$326,989	\$327,109	(\$120)	100%
Anticipated Soft Cost (prior to construction)	\$100,000	\$0	\$100,000	0%
Soft Cost Contingency	\$206,961	\$0	\$206,961	0%
<b>Total Soft Costs</b>	<b>\$2,761,625</b>	<b>\$1,836,440</b>	<b>\$925,185</b>	<b>66%</b>
<b>CDE Fees and Reserves</b>				
CVN Fee Reserve Deposits	\$373,700	\$11,267	\$362,433	3%
LIIF Fee Reserve Deposits	\$367,500	\$0	\$367,500	0%
<b>Total CDE Fees and Reserves</b>	<b>\$741,200</b>	<b>\$11,267</b>	<b>\$729,933</b>	<b>2%</b>
<b>Total Project Costs</b>	<b>\$16,059,767</b>	<b>\$3,626,949</b>	<b>\$12,432,818</b>	<b>23%</b>
Contract Awards				
	Budget Amounts	Actual Amounts	Variance	% of Budget
Durham Construction	\$9,483,000	\$979,521	\$8,503,479	10%
New Tangram LLC	\$675,000	\$202,448	\$472,552	30%
Taylor Group Architects	\$708,000	\$618,152	\$89,848	87%
Central Valley New Market Tax Credit - CDE Fees	\$373,700	\$0	\$373,700	0%
Low Income Investment Fund - CDE Fees	\$367,500	\$23,670	\$343,830	6%
Krazan & Associates	\$82,000	22,085.00	\$59,915	27%
Kitchell/CEM, Inc.	\$150,000	\$0	\$150,000	0%
Louis Torelli	\$50,000	\$44,100	\$5,900	88%
Laloo Weeks LLP	\$28,500	\$8,500	\$20,000	30%
County of Fresno Department of Public Works	\$27,500	\$14,338	\$13,162	52%
Pamela Shaw	\$7,000	\$5,870	\$1,130	84%
Comprehensive Planning Associates	\$6,000	\$2,150	\$3,850	36%
<b>Total Contract Awards</b>	<b>\$11,958,200</b>	<b>\$1,920,834</b>	<b>\$10,037,366</b>	<b>16%</b>

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**AGENDA ITEM NO.4**

TO: Lighthouse for Children Board Members

FROM: Kendra Rogers, Executive Director

SUBJECT: Review and Approve a Contract Augmentation with Kitchell/CEO, for Construction Phase Consulting Services for an Additional Amount of \$17,000 in an Amount Not to Exceed \$167,000 and Delegate Execution Authority to the Board Chair and Executive Director.

**RECOMMENDED ACTION:**

Review and approve a Contract Augmentation with Kitchell/CEO, for construction phase consulting services for an additional amount of \$17,000 in an amount not to exceed \$167,000 and delegate execution authority to the Board Chair and Executive Director.

**REASON FOR RECOMMENDED ACTION:**

The contract augmentation allows Kitchell/CEO during the construction phase to perform certified payroll services pursuant to Labor Code Section 1776.

**Background:** On December 18, 2013 the Lighthouse for Children Board approved a contract augmentation with the County of Fresno, Public Works & Planning Division for an additional amount of \$27,000 in an amount not to exceed \$55,000. The augmentation was for the County of Fresno to perform certified payroll services pursuant to Labor Code Section 1776 during the construction phase of the Lighthouse for Children (LFC) project.

The County of Fresno, Capital Projects Manager began preparation of the contract augmentation and supplied a copy to the Fresno County Counsel for review prior to submitting to the County Board of Supervisors for approval. Fresno County Counsel found that the County of Fresno was not an approved entity by the State of California Department of Industrial Relations, to monitor and enforce compliance with the state's prevailing wage laws, following standards set by Labor Code section 1771.5(b) and the Director's regulations at Title 8, California Code of Regulations and sections 16421 – 16439. Based on the opinion that the LFC project could fall under these codes and regulations, Fresno County Counsel recommended that the County of Fresno not provide these services to the LFC project.

Staff was notified by the County of Fresno, Capital Projects Manager, the week of June 2, 2014, that these services could not be performed and no contract augmentation would be provided to do so. Staff directed Kitchell/CEO to retrieve all payroll records delivered to date from the County of Fresno. Kitchell/CEO pursuant to the scope of services within their original agreement with LFC had been responsible to distribute these documents to the County of Fresno, each month upon receiving the documents from the project General Contractor. Kitchell/CEO has received from the County of Fresno certified payroll reports and supporting documentation for three (3) monthly submittals to date.

Staff worked with Kitchell/CEO, the contracted Construction Manager for the LFC project to review the Labor Codes and Regulations and found that the LFC project did not fall under Labor Code section 1771.5(b), Directors regulations at Title 8 or California Code of Regulations, sections 16421-1643. The findings were turned over to LFC Counsel for a final review and determination.

LFC Counsel cited that Labor Code section 1771.3 requires labor compliance plans (LCPs) for public works projects that have bond funding. Furthermore, Labor Code sections 1771.7 and 1771.8 make it mandatory for local agencies and school districts to maintain and operate a LCP in order to obtain certain school and water project construction funds. Lighthouse for Children (LFC) and First 5 Fresno County would not fall into any of the categories listed in the chart, which outlines who has to have a LCP.

Additionally, LFC Counsel found there is no reference in the chart to tax funding nor anything in Labor Code sections 1771 et seq. that require LCPs for projects with tax credits (other than for Charter Cities).

With the determination provided by LFC Counsel, LFC will comply with prevailing wage requirements pursuant to Labor Code Section 1776 as originally planned and Kitchell/CEO will provide these services.

**Funding Mechanism/Funding Eligibility:** This contract was procured through a sole source process due to the urgency to review three (3) past certified payroll submissions received to date.

**FISCAL IMPACT:**

If approved, the recommended augmentation amount, not to exceed \$17,000, will be allocated from the approved Lighthouse for Children Facility Budget – Soft Cost Project Management Consultants line item.

**FUTURE IMPLICATIONS:**

Approval of the augmentation will allow the Lighthouse for Children facility to comply with public works requirements pursuant to Labor Code Section 1776.