

A regular meeting of the Board of Directors of the Golden Rain Foundation of Walnut Creek will be held in Peacock Hall at Gateway Complex, commencing at 9:00 a.m., Tuesday, February 14, 2017. The agenda for the meeting is listed below. It is sometimes necessary to add agenda items for consideration by the Board after the agenda has been prepared and distributed. These items will be described in the agenda available at the Board meeting. Regular meetings of the Board of Directors are open, and comments from residents are always welcome during the Residents' Forum.

## A G E N D A

### GOLDEN RAIN FOUNDATION OF WALNUT CREEK

#### REGULAR MEETING OF THE BOARD OF DIRECTORS TUESDAY, FEBRUARY 14, 2017, AT 9:00 A.M.

1. MEETING CALLED TO ORDER: Leslie Birdsall, President
2. ROLL CALL: Birdsall (I), Fredlund (C), Delpech (E), Haley (H), Adams (A), Brown (B), Kelso (D), Pyle (G), Roath (F), and O'Keefe, ex-officio member
3. UPDATE FROM CINDY SILVA, WALNUT CREEK CITY COUNCIL MEMBER AND CITY'S LIAISON TO ROSSMOOR.
4. RESIDENTS' FORUM
5. NEW BUSINESS
  - a. Matters related to the Del Valle Complex Renovation Project:
    - i. Consider awarding the prime contractor bid for the construction of the Del Valle Complex Renovation Project and associated improvements to Tilton Pacific Construction, Inc., in the amount of \$6,217,858, to be paid from the Trust Estate Fund, and authorizing the CEO to execute the agreement on behalf of the GRF, including any change orders within the overall authorized project budget. (Attachment) **Page 1**
    - ii. Consider authorizing the CEO to execute an agreement with Mobil Modular in the amount of \$178,128, to be paid from the Trust Estate Fund, for the delivery and set-up, 10 month rental, and removal of modular buildings to house the fitness program during the duration of construction. (Attachment) **Page 4**

iii. Consider approving the Del Valle Complex Renovation Project construction phase budget in the amount of \$8,429,300, which includes an owner's contingency, to be paid from the Trust Estate Fund, and authorizing the CEO to do all things necessary, including executing agreements on behalf of the GRF, to complete the project. (Attachment) **Page 7**

b. Provide input on proposed new membership transfer fee structure, lessee facility usage fee and facility access control system. (Attachment) **Page 9**

6. ANNOUNCEMENTS

a. The next end-of-the month regular meeting of the Board will be held on Thursday, February 23, 2017, at 9:00 a.m. in Peacock Hall at Gateway Complex.

7. EXECUTIVE SESSION

a. There will be an executive session of the Board following this meeting to discuss contract and legal matters and any other appropriate business.

8. RECESS

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Agenda Item: 5ai  
Subject: Del Valle Renovation Project Primary  
Construction Bid Award  
Meeting Date: February 14, 2017

## **SUMMARY REPORT GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

### **REPORT PREPARED BY:**

Jeff Matheson, Director of Resident Services

### **REQUESTED ACTION/RECOMMENDATION:**

Consider awarding the prime contractor bid for the construction of the Del Valle Complex Renovation Project and associated improvements to Tilton Pacific Construction, Inc., in the amount of \$6,217,858.00, to be paid from the Trust Estate Fund, and authorizing the CEO to execute the agreement on behalf of the GRF, including any change orders within the overall authorized project budget.

### **BACKGROUND:**

The Project Manager for the Del Valle Renovation Project, Fred Ponce, ArchPath Project Delivery, prequalified five firms who were asked to bid the project. Firms were identified based on several factors including completion of similar size and scope athletic club/fitness center projects, bonding capacity, length of time in business, Better Business Bureau rating, previous experience with GRF, and reputation in the region. Three bidders submitted bids. Attachment "A" provides a summary of the bids received.

The bid proposal form included three alternates for consideration. These are items the Board can select to be included in the project or leave out. The alternates included the new entry canopy, additional finishes to the gymnasium, and the inclusion of decorative tile band in the locker rooms, drinking fountain areas, and restrooms. A breakdown of the costs for the alternates is shown on Attachment "A" as well. Staff is recommending the Board include all alternates in the project. The proposed construction phase budget and the above recommended contract amount assumes all three alternates are included.

Our Project Manager/Owner's Representative, Fred Ponce, the design team leaders from ELS, and GRF staff, reviewed the bids in detail in order to make a recommendation to the Board.

The team is recommending Tilton Pacific Construction over the other bidder based on the following factors:

- Tilton had representatives and subcontractors attend both facility tours offered.
- Tilton demonstrated a thorough review of the plans and specification by submitting numerous requests for information during the bidding process. The other two contractors did not submit questions.
- The Project Manager reviewed the bids and spoke with each contractor regarding their subs and their understanding of the plans and scope of the

project. Based on his review and responses to his questions, he feels Tilton had the best understanding of the project and the best response from sub-contractors.

- In reviewing the bids it was discovered the lowest bidder did not include an item for the installation of the armless turnstiles with an estimated value of \$180,000.
- The low bidder expressed some concern over the drawings which may result in requests for additional change orders for items that may have been missed.
- Tilton has extensive experience with Fitness Centers. They have been the contractor for all City Sports Clubs in California.

Based on these factors it is believed that Tilton Pacific Construction will be the best fit for the Del Valle Complex Renovation Project.

#### **ALTERNATIVES AND OPTIONS:**

- Select alternative bidder (see Attachment "A").
- Delay award of project and request additional information.

#### **SUBSEQUENT ACTIONS:**

- Contracts will be executed with the General Contractor and Mobil Modular.
- The Fitness Center will close early March for packing.
- Modular building will be delivered and set up Mid-March.
- Programs and equipment will be moved to the modular buildings.
- The fitness program will reopen and construction will begin the end of March.

#### **FINANCIAL IMPACT:**

The Bid proposal from Tilton Pacific Construction is for the amount of \$6,217,858.00. This amount includes all three alternate bid items. In a subsequent agenda item the Board will be asked to approve the construction phase budget for the project. The construction phase budget will include an owner's contingency as well as funding for a variety of other project related expenses.

#### **ATTACHMENTS:**

Attachment "A", Summary of Bids

ROSSMOOR DEL VALLE FITNESS CENTER RENOVATION  
 BID RESULTS

February 7, 2017

**5ai-3**

BIDDING CONTRACTOR	BASE BID	Alternate 1	Alternate 2	Alternate 3	Full Bid Total
HILBERS, INC.	\$5,028,477 *	\$171,322	\$71,540	\$39,275	\$5,310,614
HUFF CONSTRUCTION	\$5,938,000	\$239,800	\$157,000	\$13,000	\$6,347,800
TILTON PACIFIC CONSTRUCTION	\$5,963,458	\$123,970	\$117,128	\$13,302	\$6,217,858
Definitions of Alternates:					
Alternate 1:	Add Entry Canopy to main entrance				
Alternate 2:	Add enhanced finishes and windows to Gymnasium				
Alternate 3:	Add enhanced tile finishes in Locker Rooms and Drinking Fountain Alcoves				
*Did not include turnstile entry system					

**Attachment "A"**

**SUMMARY REPORT  
 GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

**REPORT PREPARED BY:**

Jeff Matheson, Director of Resident Services

**REQUESTED ACTION/RECOMMENDATION:**

Consider authorizing the CEO to execute an agreement with Mobil Modular in the amount of \$178,128, to be paid from the Trust Estate Fund, for the delivery and set-up, 10 month rental, and removal of modular buildings to house the fitness program during the duration of construction.

**BACKGROUND:**

During the design and planning phase the Board authorized an agreement with Pankow Construction for preconstruction services including cost estimating and to evaluate phasing options from a construction viewpoint. After evaluating several phasing options that would have utilized the existing building, it was determined that renting modular buildings would be the most cost effective option for maintain a fitness program during construction. Phasing in the building would have delayed construction, created safety concerns, and ultimately cost significantly more to construct.

Staff and the design team have been working with Mobil Modular to develop a plan to house the fitness program. The plan consists of a 48 x 60 modular to house the main fitness equipment, a 36 x 60 modular to serve as an aerobics room and functional fitness space, a 12 x 60 modular to serve as a reception area and office space, and finally a restroom building. The modular buildings will be set up in the middle of the existing parking lot. A layout plan for the modular is attached.

The modular concepts must be permitted by the City planning and building department. As temporary facilities, the permit process is expected to be timely. The current schedule is as follows:

Early March:	Close Fitness Center to begin packing
Mid-March:	Modular buildings begin to be set up
End of March:	Fitness equipment is moved to modular and opens to residents

In addition to use of the modular buildings, fitness classes will be scheduled in several clubhouse facilities. Instructors have been provided with a schedule of location, times, and days for classes.

The Del Valle pools will remain open as much as possible. There will be stretches of time when the pools must be closed for safety or due to construction interruption. Access to the pools will be from the patio entrance near the parking lot. Both Dollar and Hillside pools will be open throughout construction.

**ALTERNATIVES AND OPTIONS:**

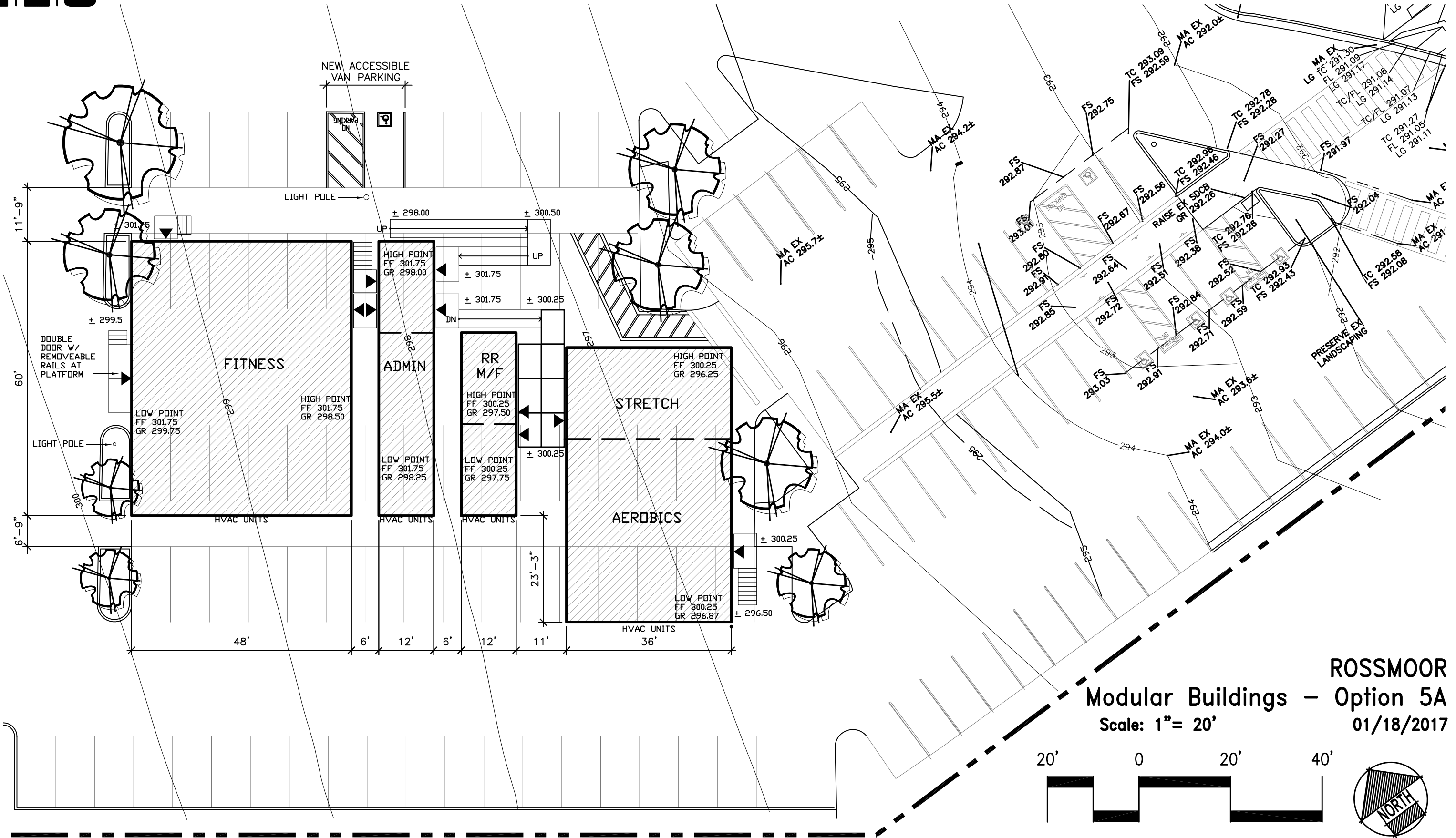
- Do not rent modular buildings and close the fitness program during construction.

**FINANCIAL IMPACT:**

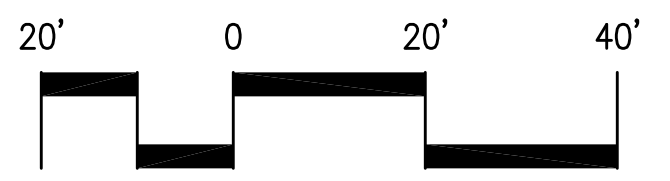
The cost for rental of the modular buildings from Mobil Modular for a 10 month period is \$178,128. Other costs include permits, temporary power, moving expenses, and service of the restrooms. All costs including a contingency are included in the overall project budget amount presented in the subsequent agenda item.

**ATTACHMENTS:**

Layout plan for modular buildings



**ROSSMOOR**  
**Modular Buildings – Option 5A**  
 Scale: 1" = 20'  
 01/18/2017





**SUMMARY REPORT**  
**GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

**REPORT PREPARED BY:**

Jeff Matheson, Director of Resident Services

**REQUESTED ACTION/RECOMMENDATION:**

Consider approving the Del Valle Complex Renovation Project construction phase budget in the amount of \$8,429,300.00 which includes an owner's contingency, to be paid from the Trust Estate Fund, and authorizing the CEO to do all things necessary, including executing agreements on behalf of the GRF, to complete the project.

**BACKGROUND:**

The "going forward" project budget for construction of the Del Valle Renovation Project includes many components. Under agenda item 5ai the GRF Board will be asked to consider award of the prime construction contract. The amount of this contract is the main component of the project construction phase budget. Under agenda item 5aii the Board will be asked to consider approval of the rental of modular buildings from Mobil Modular. The cost of the rental is also included in the construction phase budget.

The project specifications include several items that the owner, GRF, will purchase and have installed by others. Some of these items include the Audio/Visual system, security systems, fitness equipment, and furnishings. GRF is able to secure better pricing by bidding these items separately and GRF has better control over the contractor or vendor that is selected to complete the work. Some items in the project budget that exceed \$100,000, such as the fitness equipment, will come back to the GRF Board for consideration even though the funds will have been approved with today's action. Other items in the project budget include permits and plan check fees, special inspectors, etc.

The GRF Board has previously committed to several consultant contracts, e.g. ELS for overall project design, Arch Path for Project Management, and Pankow Construction for preconstruction services. The aggregate authorized amount for these contracts is \$1,187,000. This amount is included in the overall project budget for reference but does not need to be reauthorized by the Board so it is not included in the total "construction phase budget" under consideration.

**Del Valle Renovation Project Construction Phase Budget:**

- Construction Bid (including alternates) \$6,217,858
- Permits and Plan Check Fees \$155,000
- Temporary Modular Buildings \$310,000
- Fixtures/Furnishings/Equipment \$851,440
- Other Related Project Costs \$90,000
- Owners Contingency \$805,002

Total Construction Phase Budget \$8,429,300

Project costs previously authorized \$1,187,000

Total Del Valle Renovation Project Authorized Budget \$9,616,300

**ALTERNATIVES AND OPTIONS:**

- Delay approval of the project budget and request additional information.

**SUBSEQUENT ACTIONS:**

- Contracts will be executed with the General Contractor and Mobil Modular
- The Fitness Center will close early March for packing
- Modular building will be delivered and set up Mid-March
- Programs and equipment will be moved to the modular buildings
- The fitness program will reopen and construction will begin the end of March.

**FINANCIAL IMPACT:**

The total project budget is \$9,616,30. This amount includes the \$1,187,000 in planning costs previously approved plus the construction phase costs of \$8,429,300. Funding to pay for construction comes from the Trust Estate Fund.

Financing for the project will be secured through Mechanics Bank. Approval of the loan documents will be on the February 23, 2017 agenda.

New operating costs for the renovated fitness center will be included in the proposed 2018 operating budget. Staff anticipates proposing additional front desk staff and custodial staffing plus some additional contract services. It is also anticipated that property taxes for the building will increase. Some of these increases may be offset by some savings in energy costs as new energy efficient mechanical and lighting systems will be implemented.

**ATTACHMENTS:**

None

**SUMMARY REPORT  
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

**REPORT PREPARED BY:**

Tim O’Keefe, CEO

**REQUESTED ACTION/RECOMMENDATION:**

Provide input on proposed new membership transfer fee structure, lessee facility usage fee and facility access control system

**BACKGROUND:**

There are 3 primary reasons for today’s discussion:

- 1) Over the past year (and likely months and years before that), many residents and Mutuals have expressed concern over the perception that non-residents and non-GRF members may have access to and are using GRF amenities without limitation. Currently, there is no mechanism to limit or prevent such use. Additionally, Mutuals have been concerned with the number of residents who appear to be renting in their Mutuals without the consent of the Mutuals as required by their governing documents, which is likely closely related to the issue above.
- 2) In addition, with the Board’s decision to move the street resurface costs from the coupon to the Trust at an average annual cost of approximately \$500,000, the membership transfer fee amount needs to be re-evaluated in order to maintain the same minimum net revenue to the Trust.
- 3) And finally, with the conclusion of the General Plan Update last year, Action TEC 2.1 suggested the implementation of a single Rossmoor ID for resident identification, facility use and service provision. Action TEC 2.2 suggested that GRF provide residents with the ability to conduct business online and work towards a cashless relationship.

In concert with the items above, there is an opportunity to solve all these issues at once. Staff has been studying solutions to these issues as well as related issues associated with membership.

**GOALS:**

The goals of these new systems, processes and fees are the following:

- Limit use of GRF amenities to authorized users through the issuance of an identifying card and associated access control hardware and software
- Define and formalize the criteria to be used for issuing identification cards
- Ensure Co-occupants live on-site in Rossmoor
- Develop a Guest use policy
- Consolidate GRF's primary databases from four to two
- Generate funds to offset some or all of the annual operating costs of the Access Control System to minimize impact on the coupon and generate funds to the Trust to cover the acquisition costs of hardware and software
- Generate additional Trust funds to cover the cost of street resurfacing and other future major projects
- Identify hardware and software solutions
- Implement with the opening of the Fitness Center

**PERMITTED ACCESS:**

Staff evaluated the various types of authorized residency in Rossmoor and makes the following recommendations regarding access to GRF amenities:

- Mutual-approved Owner-occupants, Designated Occupants, and Co-occupants will have the right to full use of the GRF common facilities.
- GRF Members will be entitled to ten (10) guest uses of Del Valle complex per year at no cost.\* Additional usage by guests will incur a per-use fee TBD. Access to other facilities by guests will be determined at a future date.
- Mutual-approved Live-in Employees and Caregivers will be entitled to limited access to restricted facilities. They will be permitted to accompany GRF Members into restricted facilities, and will be permitted access through the Entrance Facility and Transportation Facilities unaccompanied. Live-in Employees and Caregivers shall wear a provided wristband while within restricted facilities as an indicator to staff that they are not to use the equipment.
- Those permitted to use the Foundation facilities will be provided a Facilities Access Card, which will feature a photograph of the member and digital identifying information. The Card will be required at all restricted facilities in order for a person to gain access.
- GRF Facilities Access will require annual no-cost renewal, to ensure that Members who have moved out of Rossmoor are removed from the database.

\* Policy change recommended by a joint subcommittee of the Aquatics Advisory Committee and the Fitness Center Advisory Committee

**COSTS:**

It is anticipated that the initial purchase of hardware and software for the Access Control system would be \$200,000. Street resurfacing has been running \$500,000+ per year.

Therefore, if the Access Control System were amortized over a 5 year life, the annual impact on the Trust fund would be \$500,000 + \$40,000 = \$540,000.

It is anticipated that the annual operating costs of the Access Control System would be approximately:

New Annual Operating Costs	
Software Maintenance & Support	\$ 40,000
2 New Staff (IT and Records Depts)	160,000
Supplies	10,000
5% Contingency	10,500
<b>Total Addl. Operating</b>	<b>\$ 220,500</b>

**REVENUE:**

Staff has evaluated numerous configurations of membership and fee structures and settled on a per resident Membership Transfer Fee (which deviates from the current per manor fee) and a Facility Use Fee chargeable to tenants. Staff agreed that this “per head” method would be the most equitable.

Current forecasted annual Trust revenue based on 400 transfers per year is \$3,600,000. As noted above, the new demands on the Trust fund for roads and the Access Control hard costs would require an additional minimum revenue stream of \$540,000 per year for a total minimum revenue stream of \$4,140,000.

For purposes of discussion, the recommended fee structures are as follows:

Membership Transfer Fee (one-time fee):

- \$9,000 for first resident in a manor
- \$3,000 for each subsequent resident in a manor
- All existing GRF members are ‘grandfathered’
- Using this new Membership Transfer Fee structure, including 400 transfers and 280 supplemental memberships, would result in revenues of \$4,440,000 to the Trust

Last year there were 89 registered leases in Rossmoor for a total of 479 lease months (an average of 5.4 months per lease). The Mutuals believe the actual number of leases is significantly higher. (It is important to note that in 2015, there were 586 lease months and the average over the last 5 years is 1,073 lease months per year.)

Facility Use Fee (charged to tenants as approved by Mutual):

- \$150 per tenant resident per month (average 1.5 tenants per lease)
- ID card deactivated at expiration of lease unless Mutual renews lease
- Landlords would still be able to use amenities
- Using this new Fee as income to the operating budget:
  - 400 lease months per year would generate \$90,000
  - 600 lease months per year would generate \$135,000
  - 800 lease months per year would generate \$180,000

- 1,000 lease months per year would generate \$225,000

## **PROOF OF RESIDENCY – MUTUAL CO-OCCUPANTS**

- A Memorandum of Understanding will be established between Rossmoor mutual corporations and the GRF. This will serve as an agreement to promote use of a “Proof of Residency and Affidavit of Intent to Occupy” rider.
- Acceptable documentation issued in the last 12 months:
  - California State ID
  - California or Federal tax return
  - car registration
  - utility bill
  - rental/lease agreement
  - property tax bill
  - declaration page from homeowners or renter’s insurance policy
  - payroll check stub
  - dated correspondence from a government agency:
    - IRS/social security/child support/foster care
    - Voter registration/polling information
    - Jury summons/subpoena

## **OTHER:**

Staff is in the process of evaluating a comprehensive membership and access control hardware and software solution which might eventually replace stand-alone database systems for room reservations, point-of-sale, golf tee reservation and inventory management and front gate access, among others. Staff is also exploring the feasibility of online cloud-based services to facilitate resident activities.

## **ALTERNATIVES AND OPTIONS:**

- Do not implement the Access Control System or the proposed Membership Transfer Fee structure or the Facility Use Fee
- Implement only approximately \$1,000 increase in the Membership Transfer Fee to cover the cost of the street resurfacing

## **SUBSEQUENT ACTIONS:**

It is recommended that the Access Control System is implemented concurrently with the opening of the renovated Fitness Center. In the future, the Board will be asked to identify other amenities where access control is desired.

At a future meeting, staff will provide finalized recommendations based on the Board’s input today which will then be circulated through the Finance Committee and the Policy Committee before returning to the Board of Directors for final approval on the structure, fees and related policy modifications.