

A G E N D A

FINANCE COMMITTEE

REGULAR MEETING
TUESDAY, JUNE 26, 2018, AT 9:00 AM
BOARD ROOM – GATEWAY COMPLEX

1. MEETING CALLED TO ORDER: F. William Dorband, Vice Chairman
2. ROLL CALL: Smith, Dorband, Autrey, Neff, Rosenzweig, Temple, and Yearout
3. APPROVAL OF REPORT OF MAY 29, 2018 (Attachment)
4. RESIDENTS' FORUM
5. CHAIRMAN'S REPORT – ANNOUNCEMENTS
6. STAFF REPORTS
 - a. CEO – General Comments
 - b. CFO – Monthly GRF Financials (copy in GRF Board Office Finance Committee mailbox)
 - c. Director of Mutual and Trust Operations – Trust Facilities and Property Maintenance, Projects, and Machinery/Equipment Acquisition Reports (Attachments)
7. UNFINISHED BUSINESS
8. NEW BUSINESS
 - a. Review 2019 budget development calendar for recommendation to the GRF Board. (Attachment)
 - b. Review 2019 budget operations budget principles for recommendation to the GRF Board. (Attachment)
 - c. Review rate structure for EV charging stations for recommendation to the GRF Board. (Attachment)
 - d. Advise the Board if there are sufficient funds in the Trust Estate Fund to approve an expenditure in the amount of \$15,850 to replace two barcode readers with radio frequency identification readers. (Attachment)
 - e. Advise the Board if there are sufficient funds in the Trust Estate Fund to approve an expenditure in the amount of \$222,177 for a creek repair design. (Attachment)
9. ADJOURNMENT
10. NEXT REGULAR MEETING: Tuesday, July 24, 2018, at 9:00 a.m. in the Board Room at Gateway Complex.

cc: GRF Board

FINANCE COMMITTEE REPORT

REGULAR MEETING
TUESDAY, MAY 29, 2018, AT 9:00 A.M.

A regular meeting of the Finance Committee was convened by F. William Dorband, Vice Chairman, at 9:00 a.m. on Tuesday, May 29, 2018, in the Board Room at Gateway Complex.

Present, in addition to the Vice Chairman, were Jean A. Autrey, Mary K. Neff, Paul Rosenzweig, Della C. Temple, and Gery Yearout. David Smith, Chairman, was excused. Also attending were Robert D. Kelso, President, Leslie Birdsall, Vice President, Geraldine Pyle, Secretary, and Sue DiMaggio Adams, Kenneth Anderson, Barbara Coenen, and Stephen D. Roath, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Paul J. Donner, Director of Mutual and Trust Operations; Dennis Bell, Public Safety Manager; and Deborah Rose, Senior Administrative Assistant, Executive Services. Attendance

A motion was made by Mrs. Neff and seconded by Ms. Autrey that the paragraph on page 3 of the report of its meeting on April 24, 2018, read as, "Mr. Chakoff then reviewed items 8a thru 8c of the agenda, which asked the Committee to advise the Board if there are sufficient funds in the Trust Estate Fund to fund these items. Discussion followed.", be amended to read as follows: "Mr. Chakoff then reviewed items 8a thru 8c of the agenda, which asked the Committee to advise the Board if there are sufficient funds in the Trust Estate Fund to fund; \$83,000 for PSM Architects Inc. to complete the Gateway workshops, \$93,285 to complete several Fitness Center projects, and \$13,000 to replace two radio repeaters, totaling \$189,285. Discussion followed." The vote was taken on the motion to amend the paragraph, and the motion, as amended, CARRIED UNANIMOUSLY.

Amended Paragraph re. Recommendation to GRF Board re. Funds for Projects

The report of the Committee's regular meeting of April 24, 2018, was approved as corrected. Report Approved as Corrected/

Mr. O'Keefe provided an update regarding the water reclamation project. He then provided a status update regarding the solar farm, which has partial approval from PG&E and a tentative connection date of mid-November. He concluded his report with a status update regarding electric vehicle chargers, which the City, in the permitting process, approved the installation of the charging stations outside of Gateway, but did not accept PG&E's locations and design plans for the Tice Creek Fitness Center and the Event Center due to accessibility issues. Staff Reports

Mr. Chakoff reviewed the GRF Statement of Operations for April and answered questions from Committee members.

Mr. Donner then reviewed the April Trust Facilities and Property Maintenance Report, the Capital Projects Budget and Expenditure Report, and the Machinery & Equipment Budget and Expenditure Report.

The Vice Chairman introduced agenda item 8a, which asks the Committee to advise the Board that there are sufficient funds in the Trust Estate Fund to approve an expenditure not to exceed \$115,899 for vehicular and pedestrian safety improvements as identified in the TJKM Vehicular and Pedestrian Safety Study and recommended by the Planning Committee. The Vice Chairman then invited Mr. Bell to address the Committee.

Mr. Bell reviewed agenda pages 8a-1 through 8a-5, which provided an overview of the improvements identified by the TJKM Vehicular and Pedestrian Safety Study and the removal of one parking space, which is recommended by the Planning Committee. Discussion followed.

A motion was made by Mrs. Neff and seconded by Mrs. Yearout to recommend to the GRF Board that there is \$115,899 from the Trust Estate Fund to complete the traffic safety projects listed in the proposal.

Mr. Chakoff then reviewed pages 8a6 and 8a7 of the agenda, which provided an overview of the Trust Estate Fund projections of potential projects and a list of projects identified at the March 13, 2018, GRF Board meeting.

Following discussion, a motion was made by Mrs. Temple, seconded by Ms. Autrey, and CARRIED UNANIMOUSLY to amend the motion as follows: The Finance Committee advises the GRF Board that there are sufficient funds at this time in the Trust Estate Fund to approve an expenditure not to exceed \$115,899 for vehicular and pedestrian safety improvements as identified in the TJKM Vehicular and Pedestrian Safety Study and recommended by the Planning Committee.

Recom-
mendation
to GRF
Board
re. Funds for
Vehicle and
Pedestrian
Safety
Improve-
ments

There being no further business to come before the Committee, the meeting was adjourned at 9:49 a.m.

Adjourn-
ment

The next regular meeting of the Finance Committee will be held on Tuesday, June 26, 2018, at 9:00 a.m. in the Board Room at Gateway Complex.

Next Mtg.
6/26/18

F. William Dorband, Vice Chairman
Finance Committee

dr

**CAPITAL PROJECTS
BUDGET AND EXPENDITURE REPORT**
Reporting Period MAY 2018

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
Del Valle Renovation Project	9,705,085	1,019,305	9,702,714	2,371	9,705,085	0
Valley-Wide Paving	460,000	347,265	347,265	112,735	460,000	0
Drop Creek Structure Construction	950,000		830,092	10,408	840,500	109,500
Del Valle Pools Project	520,000		523,740	0	523,740	(3,740)
Repave MOD Parking Lot	211,500			211,500	211,500	0
Water Reclamation Facility Study	150,000			150,000	150,000	0
Hillside Clubhouse Improvements	130,000		21,355	108,645	130,000	0
Corp Yard Fire & Domestic Water Lines Replacement	120,000			120,000	120,000	0
Vehicular and Pedestrian Safety Improvements	115,899			115,899	115,899	0
Hillside Overhead Piping Project	90,000		83,637	6,363	90,000	0
Rossmoor Gardens Restroom	88,000		4,371	83,629	88,000	0
Gateway Workshops Renovation Design	83,000			83,000	83,000	0
Dollar Clubhouse Accessibility Improvements	80,000			80,000	80,000	0
Storm Water Filtration System	70,000			70,000	70,000	0
Rossmoor & Cactus Gardens Fencing Replacement	65,000			65,000	65,000	0
Dollar Ranch Ninth Green Reconstruction	60,000			60,000	60,000	0
Electric Charging Stations	55,000		34,500	20,500	55,000	0
Landscape Median Renovation	25,000	9,175	9,175	15,825	25,000	0
Sportsman's Park Pergola	18,000			18,000	18,000	0
MOD Conference Room Remodel	16,500	4,726	12,421	4,079	16,500	0
TOTAL	13,012,984	1,380,471	11,569,271	1,337,953	12,907,224	105,760

Major Projects	Total Contingency	Contingency Reserved	Contingency Expended
Del Valle Renovation Project	805,000	330,390	474,610
Drop Creek Structure	70,000	5,500	64,500

**MACHINERY & EQUIPMENT
BUDGET AND EXPENDITURE REPORT**

Reporting Period: MAY 2018

Project	Approved Budget	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
MOD Vehicles (9)	308,000	92,178	215,822	308,000	0
Backup Generators-Business Resumption	93,000		93,000	93,000	0
Mowers (2)	77,000	71,701	5,299	77,000	0
GRF Vehicles	63,500	46,642	16,858	63,500	0
Nimble Data Storage System-Business Resumption	58,600	58,491	(0)	58,491	109
Rossmoor Website Redesign	49,000	19,600	29,400	49,000	0
Sprayer	45,000	43,295	1,705	45,000	0
NewTek TriCaster Streaming System	45,000	45,000	0	45,000	0
Windscreens Replacement Buckeye Tennis	30,000		30,000	30,000	0
Tractor	30,000	26,934	3,066	30,000	0
Heater Replacement Hillside Clubhouse Pool	28,000		28,000	28,000	0
Barracuda Cloud Backup System	20,000	16,933	3,067	20,000	0
Radio Repeaters (2)	13,000		13,000	13,000	0
Backup Network Server-Business Resumption	11,100	11,587	0	11,587	(487)
Phone System Controller-Business Resumption	10,350	9,283	1,067	10,350	0
Battery Backup Gateway-Business Resumption	9,000	701	8,299	9,000	0
Flat Screen TV Replacement Event Center	8,000	7,358	0	7,358	642
Scrubber for Hillside Clubhouse	7,900	7,490	(0)	7,490	410
Heater Replacement Dollar Clubhouse Pool	7,000		7,000	7,000	0
Sod Cutter	5,500	5,430	0	5,430	70
TOTAL	918,950	462,624	455,583	918,206	744

Meeting Date: June 28, 2018

SUMMARY REPORT**GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS****REPORT PREPARED BY:**

Rick Chakoff, CFO

REQUESTED ACTION/RECOMMENDATION:

Approve the 2019 budget development calendar.

BACKGROUND:

Staff prepared a calendar that includes various milestones and meeting dates for the development of the 2019 GRF budget. The calendar will be submitted to the GRF Finance Committee for its review and recommendation to the Board.

ATTACHMENT:

Draft FY 2019 Budget Calendar

CRITERIA	Project:
Financial Impact	N/A
Operational Efficiencies	N/A
Dependencies	N/A
Subsequent Actions	Once the calendar is approved staff will proceed with the preparation of the 2019 budget.
Alternatives/Options	The Board may approve the budget calendar submitted or make changes as deemed necessary.
Time-Frame	July – September 2018
Advantages/Benefits	N/A
Disadvantages/Risks	N/A

**GOLDEN RAIN FOUNDATION
2019 BUDGET CALENDAR**

June 21	Distribute draft budget principles to Finance Committee and GRF Board
June 26	Discussion of budget principles with Finance Committee
June 28	Finance Committee recommends budget principles to GRF Board
June 28	GRF Board adopts budget principles
September 5	Staff delivers draft budget package to Finance Committee and GRF Board
September 5	Post draft budget info to the Rossmoor web site and provide hard copy to library
September 12	Draft budget presentation workshop with GRF Board and Finance Committee
September 13	Second Workshop
September 25	Regular Finance Committee meeting - final budget recommendations
September 27	Regular GRF Board meeting - budget approved

Meeting Date: June 28, 2018

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

REPORT PREPARED BY:

Rick Chakoff, CFO

REQUESTED ACTION:

Approve the FY 2019 Operations Budget Principles.

RECOMMENDATION:

The Finance Committee should complete its review of the Draft Budget Principles on June 26th. The Committee will then forward to the Board its final recommendations for FY 2019 Budget Principles for the Board's consideration at its June 28th meeting.

BACKGROUND:

As the process to prepare the FY 2019 GRF Operations Budget begins, staff prepares a set of budget principles. The principles will provide guidance to the staff as the detailed budget package is prepared for consideration and approval by the Finance Committee and the GRF Board in September.

SUBSEQUENT ACTIONS:

Staff will proceed to prepare the draft budget consistent with the approved principles.

ATTACHMENT:

Draft FY 2018 Budget Principles

CRITERIA	Project:
Financial Impact	N/A
Operational Efficiencies	N/A
Dependencies	N/A
Subsequent Actions	Staff will proceed to prepare the draft budget consistent with the approved principles.

Alternatives/Options	The Board may approve the budget principles as submitted or make changes as deemed necessary.
Time-Frame	July – September 2018
Advantages/Benefits	N/A
Disadvantages/Risks	N/A

FISCAL YEAR 2019 GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS'**OPERATIONS BUDGET PRINCIPLES**

In order to provide direction to the Chief Executive Officer, the Chief Financial Officer, and GRF staff as they prepare the draft 2019 budget, the Board of Directors has adopted the following Budget Principles:

1. The budget will be prepared as a “base line” budget reflecting a program service package identical to the fiscal year 2018 program. This “base line” budget may be subject to adjustments but only after any proposed change has been evaluated by the Board and taking into consideration all of the information developed as a result of the following principles.
2. The budget will include a line item expenditure summary for each operating department.
3. The budget will utilize price projections prepared by the CFO for common commodities; e.g., fuel, utilities, and postage, for use by all operating departments and divisions as they prepare their individual budgets.
4. For any proposed new program or program augmentation, including programs initiated by Board action, the responsible department or division must prepare a memorandum to describe and justify the new program and quantify the cost. In addition, this process will be used to justify/document one time or limited duration increases in program; e.g., undertaking a study, preparing a report or a plan, or conducting a special event.
5. The budget will include sufficient funds for facility/property maintenance programs as identified in the Long-Range Comprehensive Capital Improvement plan.
6. To the extent such opportunities are identified by staff, the Finance Committee, or the GRF Board, the budget process will explore opportunities for increasing revenue or developing new sources of revenue which could accrue to the operations budget and, in turn, reduce the annual GRF coupon amount.
7. To the extent such opportunities are identified by staff, the Finance Committee, or the GRF Board, the budget process will explore opportunities to more fully recover program activity costs, implementation of which would increase revenue and thereby reduce the annual GRF coupon amount.

8. To the extent such opportunities are identified by staff, the Finance Committee, or the GRF Board, the budget process will explore opportunities to improve productivity or modify or eliminate program activities, implementation of which would reduce operation costs which, in turn, could reduce the amount of the annual GRF coupon. The budget process will also review any prior year's program changes, to evaluate the effectiveness of those changes.
9. Insurance premium costs will be based on estimates provided by our broker, Arthur J. Gallagher, including workers compensation insurance projections.
10. The budget will include background information to explain any major factors driving significant year over year change in personnel costs.
11. The budget will discuss, in the line item budget narrative, any significant anticipated 2018 year end (over or under) differences.
12. There can be an increase in the GRF staffing level in 2019: 1) if the Board approves new or expanded programs or additional staff, or 2) an emergency arises.
13. The budget will include the following wage adjustment pools for non-union employees:
 1. A wage increase amount equivalent to the CPI-U published by the Federal Bureau of Labor Statistics for the San Francisco Bay Area for the most recent 12-month period ending April 30.
 2. A \$130,000 salary adjustment pool to be used in accordance with the Compensation Management Structure.
14. The budget will include any possible bonus or compensation adjustment for the CEO.
15. The budget will include any wage or benefit adjustments to comply with union contract provisions.
16. The year-end operating fund operating cash balance will be targeted at \$1.5 million.
17. Projected operating cash in excess of the amount targeted in Principle 16 may be used as a source of funds to offset operation costs or to fund the Trust Maintenance Operating Fund which shall have the effect of minimizing future Trust Maintenance expense fluctuations.
18. The budget shall include a contribution for the Trust Maintenance Fund in excess of the projected 2019 Trust Maintenance expense in order to build up the Fund to minimize future expense fluctuations.
19. The budget will include sufficient funds to make the defined benefit pension plan contribution in 2019 as recommended by the plan actuary.
20. The budget shall include TV and broadband services.

Meeting Date: June 28, 2018

SUMMARY REPORT
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

REPORT PREPARED BY:

Jeff Matheson, Director of Resident Services

REQUESTED ACTION/RECOMMENDATION:

Consider approval of strategy for setting user rates, as outlined below, for use of the new charging stations located at Gateway, the Event Center, and Tice Creek Fitness Center

BACKGROUND:

The GRF Board has authorized staff to apply for a PG&E grant to install charging stations at three GRF locations in Rossmoor. Each location will have 10 stations including two ADA compliant stations per site. Under the terms of the grant, the sites will be owned and maintained by PG&E. GRF will be responsible for any PG&E service charges associated with the meter dedicated to each location.

Each charging location will have a payment processing service called Green Lots. Green Lots operates a network of charging locations. Green Lots will process payments from consumers and reimburse GRF based on the established fees for charging. Residents can establish a Green Lots account in order to establish access to the charging stations in Rossmoor.

GRF is able to establish rates that will be charged to consumers. Staff is recommending the following strategy for establishing rates:

1. The standard rates should cover the cost of the electricity consumed. GRF will be on an A6 rate schedule and rates will vary based on time of use.
2. The charges should include a 20% mark-up on the per Kwh as profit to help GRF recover some of the initial investment in the stations and any monthly fees associated with each meter such as delivery charges, taxes, etc..
3. The rates should include all fees charged by Green Lots for processing payments. The current fee structure is 5% of the total charge plus \$.50 per transaction. These fees are charged to the customer directly.
4. Fees should be set to discourage long term parking during peak hours. Members would be charged the standard rate for the first three hours of charging during the hours of 7:00 a.m. – 6:00 p.m. and then a penalty rate of 2x the standard rate for each additional hour of charging during the peak hours. After 6:00 p.m. and prior to 7:00 a.m. there would be unlimited charging at the standard rate.

Sample standard fee structure:

$\$.406/\text{Kwh}$ (mid-peak PG&E rate) + $\$.081/\text{Kwh}$ for GRF profit = Cost per Kwh for charging + $\$.50$ per charge for Green Lots fee + 5% of total charge for Green Lots fee = total charge to customer for use of the station.

Sample penalty structure:

$\$.406/\text{Kwh}$ (mid-peak rate) + $\$.081/\text{Kwh}$ for GRF profit = Cost per Kwh for charging x 2 (penalty rate) + $\$.50$ per charge for Green Lots fee + 5% of total charge for Green Lots fee = total charge to customer for use of the station.

ATTACHMENTS:

None

CRITERIA	Project:
Financial Impact	Rates would be established to offset the charges associated with each meter.
Operational Efficiencies	NA
Dependencies	Rates will fluctuate depending on the current PG&E rate schedules.
Subsequent Actions	Rates will be determined for the opening of the stations.
Alternatives/Options	The Board can decide on a different rate strategy.
Time-Frame	The stations should be operational by August.
Advantages/Benefits	Provides an amenity for residents.
Disadvantages/Risks	NA

Meeting Date: June 28, 2018

SUMMARY REPORT
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

REPORT PREPARED BY:

Dennis Bell
Public Safety Manager

REQUESTED ACTION/RECOMMENDATION:

Consider authorizing the CEO to execute a contract to replace two barcode readers with radio frequency identification readers at the entrance gate for \$15,850 from the Trust Estate Fund, which includes a 10% contingency.

BACKGROUND:

Around 2002, the Golden Rain Foundation installed a barcode reader access system at the front gate. The barcode system was the primary access system until 2012 when the Golden Rain Foundation updated the system to Radio Frequency Identification (RFID). When the new access system was installed, the legacy barcode readers were left in place and the new software read both RFID tags and barcodes. With approximately 11,000 active barcodes, the barcode readers remained in service to allow for a transition to RFID tags. Moreover, the barcode readers remained in service as staff was aware there would be a small number of vehicles with specialized windshields that would prevent RFID's from working. Of the approximately 11,000 current active access tags, 150 vehicles cannot use RFID's and continue to use barcodes. The below chart shows the distribution of the 150 barcodes remaining in service:

	Resident	Sponsored	GRF Employee
Barcodes	98	51	1

The windshield mounted RFID's do not work for several reasons such as metallic and UV coatings or other electronics installed on or in the windshield. Below is a chart showing the distribution among the types of vehicles:

Vehicle	Mercedes	Tesla	Land Rover	VW	BMW	Toyota	Volvo	Lexus	Porsche	Misc.
Gas	49	0	16	0	4	5	4	4	3	13
Electric	0	43	0	6	2	0	0	0	0	1
Totals	49	43	16	6	6	5	4	4	3	14

While these numbers have increased since the RFID access system was implemented, the increase has been slow, and the numbers have remained consistent over the past few years.

Barcodes:

At the time the RFID system was installed, all four lanes had barcode readers and they were left in service. Over the last several years these readers began to fail. Initially a spare reader was put into service and then as other readers failed, Trust Maintenance moved the lane one and two readers to lanes three and four. Currently only lanes three and four have barcodes readers; lanes one and two, when open, are always staffed and barcode readers are not necessary.

Recently, inaccurate barcode reads have increased in lanes three and four. Additionally, these inaccurate reads have resulted in complaints from residents about delayed automated access. Currently both lanes three and four are reading inaccurately. Staff is concerned about the complete failure of the barcode readers. These barcode readers are approximately 16 years old and parts cannot be obtained.

Replacement barcode readers are available. Staff researched the cost for new barcode readers and determined that adding new barcode readers is more expensive than replacing barcode readers with RFID readers. Moreover, two different types of access readers and access tags must be supported. Staff does not recommend replacing the failing readers with new barcode readers.

Radio Frequency Identification (RFID):

Currently the RFID readers are mounted overhead and can only read tags mounted to windshields. Staff researched alternatives to the windshield RFID tags and learned there are no other internal RFID tags that will work on specialized windshields. However, staff learned that if additional RFID readers are installed, RFID tags can be mounted to the left side (driver or passenger) windows. The new readers will replace the barcode readers and will be programmed to read tags installed on the side windows; the overhead readers will remain in service.

The engineers at TransCore, the company that manufactures the access system hardware, confirmed that the readers will work with side mounted RFID tags. The TransCore engineers also confirmed that there are no metallic or UV coatings installed on side windows that will interfere with the RFID access tag. TransCore has not had any issues with side mounted readers at other sites. The cost for two RFID readers installed is approximately \$7,000 less than new barcode readers. Staff recommends installing side RFID readers in lanes three and four.

Vendor:

Staff recommends using PAC Integrations as the vendor. PAC Integrations installed the current access and camera systems and provides maintenance and service. PAC Integrations has satisfactorily performed all maintenance and is responsive to service calls. Additionally, staff believes it is critical to have one vendor responsible for all components of the access system. While bids were not received from other vendors, Staff researched hardware costs as provided by PAC Integrations and found those costs consistent with online prices.

ATTACHMENTS:

None

CRITERIA	Project: Entry Gate Access Update
Financial Impact	\$15,580 from the Trust Estate Fund which includes a 10% contingency.
Operational Efficiencies	Improves automated access efficiency.
Dependencies	Completion of the project is contingent upon approval and funding.
Subsequent Actions	Once approved, the CEO will execute the necessary contract. Staff will develop a plan to change all remaining barcodes to RFID access tags.
Alternatives/Options	Abandon automated access for vehicles in which the RFID tags do not function and require these vehicles to use the visitors' lanes.
Time-Frame	As soon as possible.
Advantages/Benefits	<ol style="list-style-type: none"> 1. Maintains one type of access tag. 2. Provides automated access to all vehicles.
Disadvantages/Risks	None

Meeting Date: June 28, 2018

SUMMARY REPORT
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

REPORT PREPARED BY:

Paul Donner, Director of Mutual and Trust Operations

REQUESTED ACTION:

Consider approving an expenditure up to \$222,177 from the Trust Estate Fund and authorizing the CEO to execute a contract with BKF Engineers in the amount of \$202,177, plus a \$20,000 contingency, for a total of \$222,177 to design the erosion repair of two sections of the creek near the Buckeye Tennis Courts and the Creekside Pickleball Courts.

BACKGROUND:

In 2018, working with BKF, work on replacing the drop creek structure was completed. In addition to the drop creek structure, two other sites were identified as areas in need of immediate attention. Those sites are the creek next to the sidewalk as you enter Buckeye Grove and the area directly adjacent to the Pickleball Courts on Rossmoor Parkway. Both of these sites are showing considerable erosion. The Buckeye Grove site is close to undermining the road on Tice Creek. The Pickleball site is undermining the back side of the Pickleball Courts. Failure to repair these sites will result in damage to those assets in the near future.

Staff solicited a bid from BKF Engineers to provide consulting services on these two sites for design, engineering, permitting, bidding and construction management. BKF was chosen based on their familiarity with the creek and government agencies associated with creek restoration in Rossmoor. In 2015, BKF was selected to provide similar services for the drop creek structure. The cost for one site in 2015 was \$85,000. The current bid for two sites three years later is \$202,177. This bid is reasonable based on cost increases and regulatory requirements that have changed over the last three years.

The contract does not include any construction costs or permit fees. Construction costs will be determined at the end of design phase of the contract after bids have been received.

ATTACHMENTS:

Copy of the BKF Engineers proposal

CRITERIA	Project:
Financial Impact	Up to \$222,177 will be spent from the Trust Estate Fund.
Operational Efficiencies	None.
Dependencies	None.
Subsequent Actions	If the Board approves the request, a contract will be executed by the CEO and staff will proceed to engage BKF to start the project.
Alternatives/Options	The Board may direct staff to obtain additional bids for the project.
Time-Frame	Immediately upon approval.
Advantages/Benefits	Working with a proven contractor who understands Rossmoor and the government agencies involved will shorten construction time and minimize future damage.
Disadvantages/Risks	Failure to repair the creek will result in major expenses down the road related to road failure and loss of Pickleball Courts.