

City of Leon Valley 2012 Bond Program Oversight Committee Meeting, January 23, 2014

Chairman Pedro Esquivel called the meeting of the 2012 Bond Program Oversight Committee to order at 5:31 p.m.

In addition to the Chairman, Vice Chairman Yarnell, and Committee Members Al Uvietta, Mike Davis Jr., Frank Zavala and Kathy Hill were present. John Cerventes was absent.

A quorum was present.

Councilman Jack Dean, Councilman Abraham Diaz, City Manager Manuel Longoria Jr., Police Chief Randall Wallace, and Fire Chief Valdez were also present.

Approval of Minutes

Chairman Esquivel asked for approval of the minutes from the December 19, 2013 meeting. Committee Member Zavala asked about a question that he posed and was not answered correctly. The Chairman advised the question could not be answered tonight, and that should have been brought up during the last meeting. Committee Member Zavala made a motion to approve the minutes and this was seconded by Committee Member Uvietta.

Project Update

Status of Lots from Bexar County

Chairman Esquivel introduced the City Manager who advised that Bexar County Commissioners Court has approved the sale of the five lots to be used for the Fire Station for \$55,000. The original offer from the City of Leon Valley was \$57,000. The City Council for Leon Valley has already approved the expenditure, but now Bexar County needs to sign the contract and then we can begin the process of closing on the property. The City of Leon Valley did receive authorization from Bexar County to access the properties prior to closing.

The Chairman thanked the City Manager for his hard work in securing these lots.

Committee Member Yarnell asked what turned it all around. The City Manager advised that we may never know because we did not know what was going on behind the scenes at Bexar County. Committee Member Yarnell asked what items did Bexar County need from us and Councilman Dean advised it was the items that City Council addressed during their last meeting.

The City Manager then addressed the concern raised earlier in the meeting by Committee Member Zavala and did explain that any delay in the project would have had a significant financial impact.

Project Bidding

The City Manager told the Committee that since the project was bid as a Construction Manager at Risk (CMAR) project, it was not like a hard bid. Bartlett Cocke did have the bid opening on Wednesday of last week, but they have spent the time since then to work with their subcontractors to help clarify the bids that were made. The day of the bids there was a reason to be disappointed and concerned but since then this has been rectified

The City Manager further explained that during the bid process a prevailing wage specified was incorrect. In looking at the Leon Valley prevailing wage provided, both OCO Architects and Bartlett

City of Leon Valley 2012 Bond Program Oversight Committee Meeting, January 23, 2014

Cocke thought they was the highest they have seen in Bexar County.

The City Manager advised he has spoken with the City Attorney and the agreement was the Ordinance that created the prevailing wage needed to be replaced. The City Manager advised that in order to establish a prevailing wage, the City of Leon Valley could do a survey or they could rely on a survey completed by another entity within our area. Northside Independent School District has completed these types of surveys, and this will be the information used by the City of Leon Valley.

The question was asked about differing prevailing wages and the City Manager advised that in order to establish this, the City could complete a survey and get an average wage for each position and use this as the prevailing wage.

Committee Member Zavala advised that there was a document which has the prevailing wages with variances for the location.

The Chairman advised he know of differences in prevailing wages across the United States but there be different prevailing wages within Bexar County.

The City Manager advised that Bartlett Cocke was still negotiating with subcontractors and should be within the construction budget they presented to the City of Leon Valley in November. Bartlett Cocke is getting close to establishing the maximum price guarantee and as they continue to re-engineer the project any savings will be returned to the City.

The City Manager advised the Committee that on this project there is approximately \$200,000 of alternates to the bid and with any savings identified during the construction process those monies would fund these projects. An example was given of the monument sign for Bandera Road.

Committee Member Yarnell asked if the City had not done the CMAR process, whose responsibility would it be to identify these savings. The City Manager explained that the CMAR process was an open book with the OCO Architects and Bartlett Cocke both working for the City.

The City Manager briefed the Committee on some identified soft costs and reminded the Committee that those were not in the construction budget. The City Manager was asked why our project was over the \$7 million dollar mark and it was explained that with Eagle Ford Shale and the improved economy, construction costs have risen.

The Chairman asked at what point the price will be frozen to which the City Manager replied when they give us the maximum price guarantee.

Committee Member Davis asked when they would be able to address the soft costs to which the City Manager replied those are not within the construction budget.

Committee Member Davis also stated that when you renovate your could run excess hidden cost, and who is responsible for the increase in costs.

The City Manager advised that once the maximum price guarantee was set, all construction costs above that number are the responsibility of Bartlett Cocke but if the construction cost are lower, the City gets that benefit/savings.

The City Manager again told the Committee that Bartlett Cocke, OCO and himself are still having

City of Leon Valley 2012 Bond Program Oversight Committee Meeting, January 23, 2014

meetings and are identifying potential savings. An example was a floor drain at the Fire Department that a subcontractor identified a ^{price} cheaper, in cost, product that would serve the same function.

lower

The City Manager advised the Committee that the numbers presented only deals with construction. The technology package will be bid out as a separate component. This component will be paid for from special funds identified earlier.

The City Manager advised that staff will, in the next two years, be putting items in our capital purchase plan for the new facilities and by spreading these over two years will help our project.

Project Schedule

The City Manager advised the Bartlett Cocke would like to begin staging on February 3rd and would like to schedule the ground breaking for February 11th. This would be after the City Council accepts the maximum price guarantee and authorizes the project, which should take place on February 10th.

The Fire Department should be completed the second week of December 2014 with the renovations on their current area to be complete by August of 2015. City Hall would then relocate and the project should be complete by December 2015.

Committee Member Zavala asked if the foundation work would be guaranteed and asked what type of foundation would be in the new building. The Chairman advised that was a question for the project engineer.

Committee Member Zavala stated that the specifications call for an inspection during the construction of the foundation and suggested that it would behoove the City to have someone there for the entire process. Committee Member Zavala told the Committee that the placing of steel was very important and the City needed to make sure an inspection was done.

Committee Member Uvietta explained the reasons for the current foundation failures, which were caused by a variance in water levels in the soil and that the Architect and Contractor have taken steps to remedy this.

It was agreed that February 11th would be a good day to have the ground breaking. Committee Member Zavala stated that the 11th was a great day and he would bring something to perform a toast, since this date coincided with his 85th birthday.

Committee Member Zavala inquired about the 01-16-2013 date on a document provided and was advised that the date should be 01-16-2014.

Committee Member Yarnell asked the Chairman if he could discuss the color and style of the stone utilized for the building.

The Chairman advised that he would not entertain this, as this was not within the purview of the charter.

Committee Member Yarnell stated the charter did say that the Committee should review all phases. The Chairman again stated he would not entertain the motion as it was not on the agenda and not appropriate for discussion.

City of Leon Valley 2012 Bond Program Oversight Committee Meeting, January 23, 2014

Committee Member Yarnell stated he tried to get it placed on the agenda but was denied to which the Chairman again stated it was not within the purview of the Committee.

Committee Member Hill asked why the BOC are not allowed to discuss this item pertaining to the project to which the Chairman responded that the discussion was going to be about design and that was prohibited by the charter.

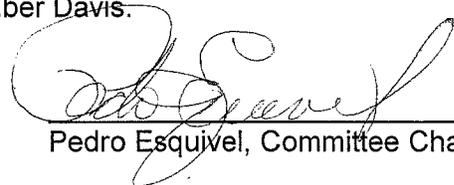
Committee Member Uvietta stated the Committee duties are to verify compliances with the purposes set forth in the 2012 Bond Program as approved by the voters.

Committee Member Hill then stated it was not on the agenda because Al Uvietta did not want it on the agenda.

The Chairman then advised that they needed to keep personalities out of the discussion, that we should not attack each other and if you have any personal issues to deal with these after the meeting. He reminded the Committee that we needed to cooperate with each other and there should be no hidden agendas.

Adjourn

Hearing no further business a motion was made by Committee Member Yarnell to adjourn at 6:30 p.m. and this was seconded by Committee Member Davis.


Pedro Esquivel, Committee Chairman