

Minutes of the **Redevelopment Agency of Centerville City/Davis Center for the Performing Arts Administrative Control Board** meeting held Tuesday, August 7, 2017 at 5:30 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Clark Wilkinson, RDA of Centerville City Chair, ACB Chair, Centerville Mayor
William Ince, RDA of Centerville City, ACB Board member
Tamilyn Fillmore, RDA of Centerville City, ACB Board member (arrived at 6:08 p.m.)
Stephanie Ivie, RDA of Centerville City, ACB Board member
George McEwan, RDA of Centerville City
Robyn Mecham, RDA of Centerville City
John Marc Knight, ACB Board Member, Bountiful City Council

MEMBERS ABSENT

Chris Simonsen, ACB Board Member, Bountiful City Council

STAFF PRESENT

Steve Thacker, RDA Executive Director, City Manager
Lisa Romney, Centerville City Attorney
Bruce Cox, Parks and Recreation Director
Avalon Comly, Recording Secretary

VISITORS

Jansen Davis, CPT Executive Director
Paul Cutler, CPT Board Member
Sterling Jenson, CPT Board Secretary
Ken Lane, CPT Building Maintenance Manager
Kelly Gibbons, FEA Engineering

REVIEW CENTERPOINT THEATRE ANNUAL AUDIT REPORT FOR 2017

Jansen Davis presented the Centerpoint Theatre Audit Report for 2017 and expressed that he is very pleased with the financial outcome for 2017.

Chair Wilkinson asked Mr. Davis to explain what "restricted donations" are in the Current Assets sections of the report. Mr. Davis explained that donations that have restrictions placed on them by the donor are called "restricted donations" and that by law the theatre cannot use those funds for any other use than what has been specified.

APPROVE AMOUNTS DEPOSITED INTO RESERVE FUNDS RELATING TO CPT AND PERFORMING ARTS CENTER

Mr. Davis referenced a year-end financial report for 2017 that was included in the staff report and had previously been sent to the RDA / ACB in March of 2018. The numbers that were proposed in the staff report to be deposited into reserve funds correlate with that 2017 year-end financial report. However, the audit process arrived at slightly different numbers. The numbers in the year-end report have typically been that has been used in determining the final amounts to be deposited into the Operations Reserve Fund and the Maintenance Reserve Fund. Using the numbers from the year-end report, the attachment shows how the Variable Rent amount of \$59,824 was determined and the 60/40 allocation of that amount into the Maintenance Reserve Fund (\$33,895) and Operations Reserve Fund (\$23,930), resulting in new balances of \$251,216 in the MRF and \$151,494 in the ORF.

Lisa Romney agreed that it is anticipated in the lease that Centerpoint Theatre will use the actual audited numbers to decide what to deposit in the reserve accounts. Chair Wilkinson agreed to compare audited financial report with end of year report to ensure the proper deposit is being made in the MRF and ORF funds.

George McEwan asked what the Capital Projects Reserve Fund is for and Mr. Davis explained that there were several projects done in the theatre last year that were capital in nature, including a sound system project, technical equipment for the small theater and others. Currently the Capital Projects fund has a balance remaining that is left over from those projects.

John Marc Knight, ACB Board member, made a **motion** to recommend acceptance of the Centerpoint Theatre Annual Audit Report, and Stephanie Ivie, ACB Board Member, seconded the motion. The motion passed unanimously (4-0).

Stephanie Ivie, representing the RDA of Centerville City, made a **motion** to accept the Centerpoint Theatre Annual Audit Report and, George McEwan, also representing the RDA of Centerville City, seconded the motion, which passed unanimously (5-0).

John Marc Knight, ACB Board member, made a **motion** to recommend approving the amounts deposited into the Operating and Maintenance Reserve Funds of Centerpoint Theatre, subject to review of the numbers based on the accepted final audit. Stephanie Ivie, representing the ACB Board, seconded the motion, which passed unanimously (4-0).

George McEwan, representing the RDA of Centerville City, made a **motion**, to approve the amounts deposited into the Operating and Maintenance Reserve Funds of Centerpoint, subject to review of the numbers based on the accepted final audit. William Ince, also representing the RDA of Centerville City, seconded the motion, which passed unanimously (5-0).

HVAC COMMISSIONING REPORT FROM KELLY GIBBONS, FEA ENGINEERING & PREPARATION OF LONG-TERM FACILITY MAINTENANCE PLAN

In June 2017 the RDA authorized expenditure of \$30,000 from the Theatre Reserve Fund for FEA Engineering to perform the scope of work identified in the HVAC Commissioning Report dated June 28, 2018 and included with the staff report. Mr. Kelly Gibbons of FEA reviewed the four areas that were addressed as part of this commissioning over the past year, which were temperature issues in basement rooms and performance rehearsal hall, AHU sequences and mechanical fan room sequences, building hours of operation and set-back opportunities, and vestibules. Within each of these areas multiple issues were resolved.

Mr. Gibbons also explained that while he does think that Harris, the current maintenance contract service provider, is executing the equipment maintenance contract, they have not flagged items that aren't working or reported any of these items to the owner. Mr. Gibbons said he met with Harris and set an expectation with them that they will provide deficient reports to the owner in future. Mr. Gibbons also noted that commissioning took a lot longer than anticipated as they waited for the service contractor to complete some of the programming and service issues that were needed.

Mr. Davis reported a definite improvement from the commissioning that FEA Engineering completed, and noted that patrons were no longer complaining. Ms. Mecham commented that it was cooler and more comfortable in the theatre when she has visited as a patron.

Paul Cutler, CPT Board member, asked if Mr. Gibbons had noted problems with areas other than the four that were commissioned. Mr. Gibbons said there may be, and other areas

may be running inefficiently as well. He anticipated that Centerpoint would save some operational costs just with changes to the four areas he addressed, but believes other areas could benefit from a full commissioning. He expressed that, if asked to do so, he could provide cost estimates to do a full commissioning.

Ms. Ivie raised a concern that the current maintenance contract is not what the board had expected it would be. Mr. Gibbons addressed the current maintenance contract. He said originally when the service contract was reviewed he had requested an addendum. For whatever reason, this addendum was not adopted into the contract. Mr. Gibbons is not impressed with work that has been done by Harris Mechanical. He said he is hoping that after the last meeting he had with Harris they may turn things around, but at the end of this year it is the end of the 3-year maintenance contract period and Mr. Gibbons suggests bidding out the HVAC service. Mr. Thacker recommended that Mr. Gibbons remain involved to provide oversight and guidance to this HVAC maintenance contract.

Mr. McEwan said it appears to him that the deficiencies that were noted during this commissioning are beyond what you would expect and is shocked that these deficiencies were not noted and pointed out by the service contractor. He expressed that he does not wish to renew the service contract with Harris Mechanical. Mr. Gibbons expressed again that in working with other service contractors they will typically provide a report of the items of concern that need to be addressed and will offer to provide an estimate to do the work. This has not been happening with Harris Mechanical. Mr. Thacker again recommended that Mr. Gibbons remain engaged to provide oversight regarding what items need to be addressed as reported by a service contractor in the future.

Mr. Gibbons said he previously provided estimates for end of life of the current equipment in the building. He asked if there is a schedule and budget for end of life equipment replacement, because the building is getting to the point where major replacements are going to be needed.

Mr. McEwan inquired of Mr. Gibbons whether it would be possible to replace the HVAC controls in the theatre by doing a "rolling upgrade" and whether there is a project management schedule that has been created to go along with the end of life schedule, so it is clear when maintenance projects need to begin. Mr. Davis says they have to come up with a schedule for replacing large items, such as carpeting and seats, but this was never developed into a full-blown plan. Mr. Thacker says that per the lease, a 5-year maintenance plan is required every year and should be provided by Centerpoint Theatre to the board with the budget. Mr. Thacker suggests that Ken Lane, Centerpoint Building Manager, lead the effort to create a 5-year maintenance plan with support from other technical experts, such as Mr. Gibbons.

Paul Cutler asked Mr. Lane what he thinks about Harris Mechanical. He said based on what is going on in the building, he doesn't think Harris was doing a good job. Mr. Lane also said he never sees Harris come and go from the building, so he is not sure what they are doing. Mr. Gibbons said he and Mr. Davis had a meeting with Harris Mechanical before the RDA/ACB meeting to let them know what had been changed in the theatre, and at that time he also went over service expectations going forward, asked them to submit a report every time they come, specified who should be copied on the report, provided an anticipated service schedule to Harris to use each time they come out, and requested that they maintain a list of deficient items that they see while they are in the building that can then be brought up with the board on a regular basis. These items are currently in Harris' maintenance contract to provide, but Mr. Gibbons said they were not previously being provided. He also mentioned that it has now been several months since the aforementioned meeting with Harris, and to this point he has still not received a report. Mr. Ince and Mr. McEwan suggested not paying Harris until they begin providing what they are being paid for.

Mr. Gibbons added that he had contacted Harris Mechanical in October of 2017 to do controls programming as part of the commissioning work, and Harris didn't come until January. He said that while he believes Harris is coming into the building to do service work, he was still disappointed. Mr. Davis said his expertise is not in building management, so he does rely on experts to alert him when something needs to be done. Mr. Thacker proposed engaging Mr. Gibbons on an ongoing basis to oversee HVAC evaluations, monitor the service contractor, and help to select a new service contractor when the service contract ends at the end of this calendar year. Mr. Thacker suggested that the Maintenance Reserve Fund be used for Mr. Gibbons' ongoing services. Ms. Romney said that while typical ongoing maintenance should not be funded from the MRF, this appears to be a significant issue that she feels would be a reasonable use of the MRF. Typically, this would need to be funded from the Annual Operating Budget, and perhaps long term it could be funded from there once some of the bigger issues have been addressed.

Mr. Thacker and Mr. Davis discussed who is to work on a continuing services contract for Mr. Gibbons outside of the meeting and clarified that the MRF is under Centerpoint's control, but that 30-day written notice needs to be provided to the RDA/ ACB for intended use of that fund. Mr. Cutler clarified that there are three things to be included in the contract with Mr. Gibbons:

- 1) Overseeing the service contractor on an ongoing basis
- 2) Preparing an RFP for a future service contractor
- 3) Helping to create a long-term maintenance plan

Councilwoman Ivie and Councilwoman Fillmore expressed frustration with Harris Mechanical. Councilman McEwan asked what timing Mr. Gibbons would have expected of Harris to come in when they were called about controls programming. Mr. Gibbons said two weeks would have been expected, not three months.

Mr. Thacker said outside of the meeting a scope of work will be defined for Mr. Gibbons for the three previously mentioned items.

Councilman Ince asked Mr. Davis if there are other large maintenance issues, beyond the HVAC system, that he is aware of. Mr. Cox said that he did a roof inspection and identified a few areas that need caulking, and was impressed with Mr. Lane's knowledge of the building. Councilwoman Fillmore asked for clarification regarding Mr. Lane's role and Mr. Cox's role with the theatre.

REVIEW OF MINUTES

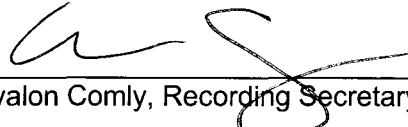
The minutes of the June 19, 2018 and June 21, 2018 Redevelopment Agency of Centerville meetings were reviewed. Councilwoman Ivie made a **motion** to accept the minutes with no changes. Councilman Ince seconded the motion, which passed by unanimous vote (5-0).

ADJOURNMENT

At 6:40 p.m., Chair Wilkinson made a **motion** to adjourn the meeting. Councilwoman Ivie seconded the motion, which passed by unanimous vote (6-0).

Steve Thacker, RDA Executive Director

Date Approved



Avalon Comly, Recording Secretary