Minutes of the **Redevelopment Agency of Centerville** City/Davis Center for the Performing Arts Administrative Control Board meeting held Tuesday, June 6, 2017 at 5:00 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Paul Cutler, RDA of Centerville City Chair, ACB Chair, Centerville Mayor
Tamilyn Fillmore, RDA of Centerville City, ACB Board member
William Ince, RDA of Centerville City, ACB Board member
Stephanie Ivie, RDA of Centerville City, ACB Board member
George McEwan, RDA of Centerville City
Robyn Mecham, RDA of Centerville City
John Pitt, ACB Board Member, Bountiful City Council (arrived at 5:30 p.m.)

MEMBERS ABSENT

John Marc Knight, ACB Board Member, Bountiful City Council

STAFF PRESENT

Steve Thacker, RDA Executive Director
Jacob Smith, Assistant to the City Manager
Lisa Romney, Centerville City Attorney (arrived at 5:17 p.m.)
Jansen Davis, CPT Executive Director
Marcus Arbuckle, Keddington & Christensen
Katie Rust, Recording Secretary

VISITORS

Kelly Gibbons, FEA Engineering Associates, LLC

HVAC SYSTEM IN THE PERFORMING ARTS CENTER

Chair Cutler announced that Bruce Cox, Centerville Parks and Recreation Director, has been assigned as City staff liaison with the Performing Arts Center for facility issues. Kelly Gibbons with FEA Engineering explained the practice of commissioning an HVAC system after installation, and recommissioning after 8-10 years. He reported that no evidence has been found of an original commission report for the HVAC system at the Performing Arts Center. Mr. Gibbons suggested an hourly approach for these HVAC services at this time, and provided budget estimates for commissioning design and implementation fees pertaining to controls commissioning (attached). He also provided a spreadsheet of Theater Controls Commissioning Proposed Scope of Work and Budget (attached). The proposed budget includes estimates for time that would be spent by both FEA Engineering and Harris Services (technician).

Director McEwan asked if the HVAC system is able to provide historical data. Mr. Gibbons responded that the system can be set up to capture trending data. He added that utility bills can be tracked over time as well. Director Fillmore asked if it is common for the engineering group conducting an audit to continue with implementing the changes needed. Mr. Gibbons responded that he would conduct the audit and supervise Harris Services in providing the maintenance. He commented it can be more efficient to have the maintenance contractor present when problems are found and resolutions agreed on. Mr. Gibbons said he could submit a proposed joint contract for FEA Engineering and Harris Services. Director McEwan said he is in favor of completing a commissioning study, and overlapping it against what is in the existing maintenance agreement with Harris Services. Mr. Gibbons agreed that would be a more traditional approach. The Board discussed the type of contract they would prefer. John Pitt, ACB Director, arrived at 5:30 p.m.

Chair Cutler said it appears everyone on the Board is in favor of commissioning the system – the question is when, if ever, the RDA/ACB needs a further report. Director Ivie commented it is painful to add another HVAC cost to the amount already spent on the HVAC maintenance contract with Harris. Director Ince asked if a group was ever held accountable for the fact that the HVAC system has never worked properly. Chair Cutler responded that staff tried, but was unable to pinpoint responsibility. Mr. Thacker stated the commissioning study could be funded by the RDA Fund or the Theatre Reserve Fund (TRF). Chair Cutler said he feels this is the type of expense for which the TRF was created. Mr. Thacker added that the TRF could be reimbursed by the RDA Fund at a later time if desired.

Director McEwan said he would like to take the more traditional approach and obtain a commission report first before making commitments for maintenance. He commented that, in his experience, projects always cost more than expected. Ms. Romney advised that the RDA/ACB should review and approve the final contract. Director Fillmore asked if the traditional approach would cost more, and Mr. Gibbons responded it would. He said he has done it both ways, and he is confident working with Harris Services. He estimated the traditional approach would cost within 10% of what he already proposed. Director McEwan said he is fine with FEA Engineering managing the work done by Harris, but he would prefer the RDA/ACB to prioritize and authorize the different phases of work. Mr. Gibbons said he would be able to provide updates every two weeks when work begins. Chair Cutler stated he is not willing to micromanage the project, but he would be willing to authorize funds up to a certain amount with direction to complete a certain scope of work and report back. Responding to Director Fillmore, Mr. Gibbons confirmed he could crosscheck the work needed with the existing maintenance agreement.

Mr. Gibbons stated he would be able to begin the proposed work submitted to the RDA/ACB today in one or two weeks, and would be able to complete the scope of work in about a month. He said the timetable would be similar with the more traditional approach. Director McEwan stated he has two objectives – cost control, and not getting in too deep to get back out. Jan Davis, CPT Executive Director, said he is most concerned about the dampers and communication of the HVAC system. The exact problem will not be known until the analysis is complete. Mr. Gibbons responded that he will communicate with Mr. Thacker and Mr. Davis when red flags are found. Director Mecham commented that when she buys new carpet for her home, she doesn't need to have it cleaned that year. Comparing the HVAC situation to buying new carpet, she asked if money will be saved on maintenance for the rest of the year if everything is working properly. Mr. Gibbons responded by comparing the situation to buying a new car – the oil still needs to be changed and belts checked regularly. Routine servicing is the type of work covered by the existing HVAC maintenance contract.

Director McEwan asked if the engineering work will be covered by warranty. Mr. Gibbons responded he has never been asked to warranty his work. He stated he is willing to stand behind the work unless changes are made to the system outside his recommendations.

Director Ince made a **motion** to authorize moving forward with the proposed contract, not to exceed $30,000. Director Ivie seconded the motion, which passed by unanimous vote of the ACB (5-0). Chair Cutler will review and sign the contract when submitted. Director Ivie made a **motion** for the ACB to recommend funding the contract from the Theatre Reserve Fund, with the idea that the amount may be refunded in the future by the RDA Fund. Director Fillmore seconded the motion, which passed by unanimous vote of the ACB (5-0). Director Ivie made a **motion** for the RDA to authorize funding not to exceed $30,000 from the TRF, with reimbursement in the future from the RDA Fund if possible. Director Fillmore seconded the motion, which passed by unanimous vote of the RDA (6-0). Mr. Gibbons left the work session at 6:00 p.m.

RESTRICTED AND UNRESTRICTED BALANCES IN THE RDA FUND

Mr. Thacker gave a brief history of the current RDA financial situation, and explained the proposed fund transfers to improve the unrestricted RDA Fund balance. A few years ago the RDA/ACB chose to put CenterPoint facility-construction donations in the amount of $177,457 in the restricted TRF, on the assumption that the RDA account had a healthy cash balance. Subsequent donations of $11,500 were also deposited in the TRF. Both sums could have gone into the RDA account. A debt service payment was later made from the TRF in the amount of $100,693, with a net impact on the TRF of $88,264. Under the current Lease Agreement, the TRF may not be used for debt service payments. Ms. Romney stated that the only improper transfer was the debt service payment. Putting the $177,457 into the TRF was a knowing decision made by the RDA/ACB, and Ms. Romney said it is her opinion that once funds are placed in the TRF they are subject to TRF provisions. The argument could be made that the $177,457 was not base rent and was not required to have been put in the TRF.

Director Ince made a **motion** for the ACB to recommend adjustments to the restricted TRF in the amounts of $177,457 and $11,500 because those amounts were put in the TRF without fully understanding the impact on future expenditures, and at the same time reverse the $100,693 paid on debt service which should not have been paid on debt service, and record the payment in the unrestricted RDA Fund. Director Ivie seconded the motion, which passed by unanimous vote of the ACB (5-0).

Director Ince made a **motion** for the RDA to authorize adjustments to the restricted TRF in the amounts of $177,457 and $11,500 because those amounts were put in the TRF without fully understanding the impact on future expenditures, and at the same time reverse the $100,693 paid on debt service which should not have been paid on debt service, and record the payment in the unrestricted RDA Fund. Director Ivie seconded the motion, which passed by unanimous vote of the RDA (6-0).

The Board reviewed proposed transfers of expenditures from the RDA Fund to the TRF and the Centerville Drainage Utility Fund. Chair Cutler made a **motion** for the ACB to recommend the transfer of $89,311 in expenses from the unrestricted portion of the RDA Fund to the TRF (restricted). Director Pitt seconded the motion, which passed by unanimous vote of the ACB (5-0). Chair Cutler made a **motion** for the RDA to transfer $89,311 in expenses from unrestricted funds to the TRF. Director Ince seconded the motion, which passed by unanimous vote (6-0). Chair Cutler made a **motion** for the RDA to transfer $69,175.93 from the RDA Fund to the Drainage Utility Fund. Director Ivie seconded the motion, which passed by unanimous vote of the RDA (6-0).

Mr. Thacker suggested that some of the expenses transferred should be part of the regular maintenance portion of the CPT Budget moving forward. For the remainder of the CPT fiscal year, the expenses will be paid from the RDA Fund.

ADJOURNMENT

At 6:18 p.m., Director McEwan made a **motion** to adjourn the meeting. Director Ivie seconded the motion, which passed by unanimous vote (6-0).

Steve H Thacker

Steve Thacker, RDA Executive Director

6.20.2017

Date Approved

REDEVELOPMENT AGENCY CORPORATE Seal OF CENTERVILLE CITY

Katie Rust, Recording Secretary

FEA Engineering Associates, LLC

Proposal

Client: City of Centerville
Proposal: 17-004

To: Steve Thacker – City of Centerville

Date: June 06, 2017

Re: Engineering Commissioning Fee Budgeting

Attn: Steve Thacker

We are pleased to provide you with the following budget estimates for commissioning design and implementation fees pertaining to controls commissioning of Center Point Theater.

1. CP Theater Basement Rooms & Performance Rehearsal Hall:
   $11,950.00
2. CP Theater AHUs Sequencing & Fan Room Temperature Control:
   $13,820.00
3. CP Theater Building Scheduling:
   $10,865.00
4. CP Theater Vestibule and Misc. Spaces Review:
   $7,660.00

We have included an attached page detailing work as we understand it and our assumptions regarding hourly rates and estimated durations. We look forward to working with you on this project and ask that you contact me after you review the information. We will expect follow up questions and revisions to our work sheet before finalizing.

Sincerely,

Kelly G. Gibbons, P.E.

FEA Engineering Associates, LLC
801-889-6054

Jay Gibbons, Mechanical Engineer
FEA Engineering Associates, LLC
208-863-1815

CP Theater Controls Commissioning Proposed Scope of Work & Budget

Control Programming Hourly Rate	$	105.00
HVAC Technician Rate	$	95.00
Principal Engineer/Commissioning I	$	125.00

CP Theater Controls Commissioning		Engineering Commissioning Time	Controls Programming Time	HVAC Technician Time	Engineering Commissioning Dollars	Controls Programming Dollars	HVAC Technician Dollars	Misc. Material Cost
CP Theater Basement Rooms & Performance Rehersal Hall								
Engineering	Review Space Pressurization, Temperature Control, Airflow Rates and Equipment Sequencing	30			$ 3,750.00			
Programming	VAV Control, AHU Sequencing		16			$ 1,680.00		
Technician	Damper, Valves, Thermostat Relocation or Recalibration			16			$ 1,520.00	
Material Cost	As Needed							$ 5,000.00
							Subtotal:	$11,950.00
CP Theater AHU Sequencing and Fan Room Temperature Control								
Engineering	Review Space Temperature Control and Equipment Sequencing	40			$ 5,000.00			
Programming	VAV Control, AHU Sequencing		16			$ 1,680.00		
Technician	Damper, Valve and Misc.			12			$ 1,140.00	
Material Cost	As Needed							$ 6,000.00
							Subtotal:	$13,820.00
CP Theater Building Scheduling								
Engineering	Review Space Occupancy and Equipment Unscheduled Space Overrides	45			$ 5,625.00			
Programming	VAV Control, AHU Sequencing		24			$ 2,520.00		
Technician	Thermostat Replacements if Required			16			$ 1,520.00	
Material Cost	As Needed							$ 1,200.00
							Subtotal:	$10,865.00
CP Theater Vestibules and Misc. Space Reviews								
Engineering	Review Spaces and Equipment Sequencing	16			$ 2,000.00			
Programming	Equipment Programming		12			$ 1,260.00		
Technician	Damper, Valve and Misc.			20			$ 1,900.00	
Material Cost	As Needed							$ 2,500.00
							Subtotal:	$7,660.00

RDA "Gap" Revenue and Transfers - FY16 & FY17 YTD

Combined Cash/Fund Balance (4/30)	$	568,815
Restricted Cash (4/30)	$	(524,941)
Reverse net impact of 2 deposits and DS payment	$	88,263
Bountiful City RAP Tax payment	$	79,309
UDOT refund of deposit	$	107,869
	$	**319,315**

Transfer RDA exp to TRF	$	89,311	
Transfer RDA exp to DUF	$	67,975	
Subtotal Transfers	$	157,286	(see detail below)
Adjusted Unrestricted Cash/Fund Balance	$	**476,601**	

May & June Expenses/Obligations

Tax Inc to Dayton-West (MTC)	$	(~~150,757~~) 150,159
Tax Inc to Legacy Crossing Theater, et. al	$	(146,159) ✓
Tax Inc to Land Rover	$	(~~31,029~~) 30,686
Maverik Trailhead Cost-share	$	(45,000)
Professional Services (LYRB)	$	~~(5,000)~~ 10,000
Remainder of Admin Service Charge	$	(28,567)
Gala	$	~~(2,500)~~ 2250
FEA Engineering	$	(2,500)
Subtotal May/June Obligations	$	(411,512)
Projected Unrestricted Cash/Fund Balance	**$**	**65,089**

Barnard Creek receivable: $15,867

Transfer Details

Proposed Transfers			TRANSFER TO:		CURRENT ACCOUNT
FPS Northern Utah - Fire Protection Service	$	1,085.00	TRF	From 09/01/15 to 5/26/2017	PROFESSIONAL SERVICES
Harris Service	$	970.00	TRF		PROFESSIONAL SERVICES
Bankcard Center (both FPS Northern Utah)	$	721.00	TRF	1/11/2017, 3/10/2017	PROFESSIONAL SERVICES
Water Damage	$	17,879.77	TRF	3/02/2017-4/24/2017	TRF-ELIGIBLE EXPENSES
Reimbursement for Water Damage	$	(3,239.77)	TRF	3/27/2017	INSURANCE REIMBURSEMENT
FEA ENGINEERING ASSOCIATES LLC	$	10,345.00	TRF	07/09/2015-01/04/2016	ENGINEERING-(DCPA HVAC)
South Davis Sewer	$	1,320.00	TRF	07/01/2015-01/01/2017	MISC SUPPLIES
Deuel Creek Irrig	$	1,715.27	TRF	04/07/2016, 04/06/2017	MISC SUPPLIES
REALLOCATE INS PREMIUMS (property ins)	$	3,713.84	TRF	7/31/2015	INSURANCE
MORETON & COMPANY (property ins)	$	12,654.00	TRF	7/1/2016	INSURANCE
Harris Service (already authorized 10/20/15)	$	40,758.02	TRF	10/09/2015 - 4/14/2016	SDPAC Project (DCPA)
Alpha Graphic (Pole banner mod)	$	1,389.31	TRF	11/23/2106	SDPAC Project (DCPA)
ESI Engineering	$	22,509.80	DUF	07/09/2015-05/04/2017	Barnard Creek Culvert
Various Suppliers	$	45,465.05	DUF	07/08/2016-05/09/2017	Barnard Creek Culvert
Total	**$**	**157,286.29**			

+ 1102.08 reimbursement to DC for mat'ls (PO # 16896)

Other Eligible Transfers					
ESI Engineering - Parrish Ln Corridor Traffic Study	$	8,080.00	Transp. Func	09/28/2016-04/10/2017	ENGINEERING-MARKETPLACE
ACME Construction	$	4,203.00	Transp. Func	10/17/2016	RDA IMPROVEMENTS
UDOT	$	9,135.38	Transp. Func	01/27/2016 and 10/12/2016	1250 & Parrish Intersection
Total	**$**	**21,418.38**			

particularly provided herein. The Association shall use its best efforts to allocate funds to the Maintenance Reserve Fund in an amount that is reasonably adequate and necessary for purposes of fulfilling its maintenance and repair obligations under this Lease and Operating Agreement; provided, the fund balance in the Maintenance Reserve Fund shall not exceed Three Hundred Thousand Dollars ($300,000). The Maintenance Reserve Fund shall only be used to fund the Association's maintenance and repair obligations set forth in this Lease and Operating Agreement, including, but not limited to, the maintenance, repair or replacement of any buildings, grounds, landscaping, facilities and improvements associated with the Theatre and the Site. The primary purpose and intent of the Maintenance Reserve Fund is to create a substantial and sufficient reserve fund to be used for major, non-routine or unexpected maintenance, repairs and replacement obligations of the Association. Routine and preventative maintenance and recurring repair and replacement projects should be budgeted for and funded out of the Annual Operating Budget In accordance with the provisions of Section 32, until and unless the Maintenance Reserve Fund is fully funded to the maximum fund balance for such fund, a minimum of fifty percent (50%) of the combined annual reservation of funds to both the Operations Reserve Fund and the Maintenance Reserve Fund shall be allocated to the Maintenance Reserve Fund, exclusive of earmarked donations. The combined amount calculations and percentage allocation requirements set forth herein may include the Minimum MRF Contribution set forth in Section 33. Allocations to the Operations Reserve Fund and the Maintenance Reserve Fund shall be subject to review and approval by the RDA and ACB in accordance with the provisions of Section 28. The Association may be required by the RDA as part of the budget process to utilize funds in the Maintenance Reserve Fund to pay for current or future maintenance and repair obligations. The Association shall provide the RDA and ACB with at least thirty (30) days prior written notice of any proposed withdrawal and/or use of funds within the Maintenance Reserve Fund.

24. RDA Rent Proceeds. Monthly Base Rent and the annual Variable Rent shall be paid to the RDA. Base Rent and Variable Rent proceeds shall first be used to reimburse the RDA for any actual expenditures or expenses incurred by the RDA for the construction, financing, maintenance, repair, alteration, or operation of the Theatre or the Site. Such reimbursement amounts may be retained by the RDA from the Rent without prior approval of the ACB. The RDA shall be required to provide the ACB with itemized statements regarding any and all such reimbursements from Rent proceeds. Any remaining Base Rent or Variable Rent proceeds shall be used to fund the RDA's Theatre Reserve Fund as more particularly provided in Section 25. Use of funds within the Theatre Reserve Fund shall be subject to the specific conditions and limitations set forth in this Lease and Operating Agreement regarding the Theatre Reserve Fund as set forth in Section 25.

conflict w/Section 25 - middle of section

25. RDA Theatre Reserve Fund. The RDA shall create a reserve fund to be used solely for the Theatre and Site as more particularly provided herein ("Theatre Reserve Fund"). The RDA shall retain the Theatre Reserve Fund in a specially created fund to be maintained by the RDA and used solely for the purposes set forth herein. The Theatre Reserve Fund shall be funded with remaining Base Rent or Variable Rent proceeds as set forth in Section 24. Nothing herein is intended to or shall obligate the RDA to separately fund the Theatre Reserve Fund. The parties expressly acknowledge that the funding of the Theatre Reserve Fund is solely dependent upon the calculation and amount of Annual Profits and the payment of Base Rent and Variable

Rent under the terms of this Lease and Operating Agreement. It is the intent of the parties to fund not only the Association's Operations Reserve Fund and Maintenance Reserve Fund, but also the RDA's Theatre Reserve Fund, in order to provide an equitable distribution of funds for the long-term success and viability of the Theatre operations and the long-term maintenance, repair and replacement of the Theatre and the Site. As such, the Association agrees to use its good faith best efforts to accurately and fairly allocate funds and expenses and to calculate Annual Profits in accordance with the stated intent of the parties as more particularly discussed herein and in Section 18 regarding the use of public funds for the project. The Theatre Reserve Fund shall only be used for investment, financing, maintenance, repair, replacement, expansion, alteration, enhancement, betterment or operation of any buildings, grounds, facilities, improvements, programs, fixtures and related equipment and accessories associated with the Theatre and the Site. Use of any portion of the Theatre Reserve Fund shall be pre-approved by the ACB, which approval shall not be unreasonably withheld. The parties, together with the ACB, may adopt policies for prioritizing projects, repairs, replacements, betterments, capital improvements, etc., with respect to the use and expenditures of the Theatre Reserve Fund. For purposes of prioritizing the use of the Theatre Reserve Fund it is the parties' intent to create a substantial and sufficient Theatre Reserve Fund for the primary purpose of providing for future repair, replacement and capital improvements associated with the Theatre and the Site. Standard calculations for repair and replacement costs for a building the size and quality of the Theatre suggest an annual fund contribution equal to one and one-half percent (1.5%) of the replacement value of the facility. Although permitted under the terms of this Lease and Operating Agreement, it is not the parties' intent that the Theatre Reserve Fund be used for routine maintenance until and unless a sufficient Theatre Reserve Fund is established and/or the use of such funds for routine maintenance is deemed necessary and appropriate under the circumstances. It is not the intent, and the RDA shall not use any Rent proceeds or the Theatre Reserve Fund for debt retirement or service with respect to the tax-exempt bonds. Conflict w/ ¶24

26. Flow of Funds. Consistent with the provisions set forth in Sections 18-25, the allocation of revenues from the operation of the Theatre shall be distributed and allocated in the following order of intended priority: (1) payment of Base Rent; (2) payment of current operations, production and maintenance costs and expenses; (3) allocation of funds to the Maintenance Reserve Fund; (4) allocation of funds to the Operations Reserve Fund; and (5) distribution of Annual Profits as Variable Rent due to the RDA.

27. Exception for Earmarked Donations. It is the intent of the parties to encourage the donation of private funds to the Theatre to the broadest extent possible. In order to encourage such donations, the parties desire to provide an exception to Annual Profit calculations and reserve fund maximum cap limitations for earmarked donations and the ability to use such donations for the intended purpose. The parties hereby agree that any legitimate private donation specifically earmarked for a particular specified purpose, such as donations for a specified capital improvement, specialized accessory or particular performance, may be used for the designated purpose without such donation being required to be designated as revenue for purposes of calculating Annual Profits. In addition, donations earmarked specifically to the Operations Reserve Fund or the Maintenance Reserve Fund shall not be subject to the maximum fund balance restrictions set forth in Section 22 or Section 23, but shall be utilized to determine whether the fund balance cap has been reached for purposes of calculating Annual Profits. In ??