

**LIGHTHOUSE FOR CHILDREN, INC.
BOARD MEETING**

Date: Wednesday, September 7, 2016

Time: 3:00 p.m. – Regular Meeting

Lighthouse for Children
2405 Tulare Street
Fresno, CA 93721

AGENDA

ITEM	SUBJECT	PRESENTER
1.	CALL TO ORDER	Chair Perea
2.	POTENTIAL CONFLICTS OF INTEREST Any Commission Member who has potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.	Chair Perea
3. Action Pg. 1	MINUTES FROM MARCH 16, 2016, BOARD MEETING Supporting Document	E. Reyes, E.D
4. Action Pg. 3	FISCAL YEAR 2016-2017 LIGHTHOUSE FOR CHILDREN PROPOSED BUDGET Supporting Document	E. Reyes, E.D
5. Action Pg. 6	3rd FLOOR TENANT IMPROVEMENT CONSTRUCTION BIDS Supporting Document	E. Reyes, E.D
6. Action Pg. 8	AUTHORIZATION TO ENTER INTO NEGOTIATIONS WITH VALLEY CHILDREN'S HOSPITAL FOR THE POSSIBLE CONSTRUCTION OF A HEATH-RELATED SERVICE CENTER ON THE GROUNDS OF THE LIGHTHOUSE FOR CHILDREN Supporting Document	E. Reyes, E.D
7.	PUBLIC COMMENT	Chair Perea
8.	ADJOURNMENT	Chair Perea

NOTE: If you need disability modification(s) and/or other accommodation(s) in order to participate in this meeting, please contact the office at (559) 558-4900 at least 48 hours prior to the start of the meeting. Government Code Section 54954.2(a).

LIGHTHOUSE FOR CHILDREN, INC.

**Board Meeting
September 7, 2016 – 3:00 p.m.**

**2405 Tulare Street
Fresno, CA 93721**

AGENDA ITEM NO.3

RECOMMENDED ACTION:

Approve Lighthouse for Children Board Meeting Minutes – March 16, 2016

**ACTION SUMMARY MINUTES
March 16, 2016 — 11:30 A.M.**

Present: Hugo Morales, Henry Perea (Chair), Stacy Sablan, Dawan Utecht

Absent: None.

Staff: Emilia Reyes, Alix Hillis, Karen Jimenez, Allison Rodriguez, Ken Price (Legal Counsel)

1. CALL TO ORDER

Emilia Reyes, Executive Director, announced the Lighthouse for Children Child Development Center has officially been licensed.

2. APPROVE MINUTES FROM MAY 20, 2015, BOARD MEETING

Public Comment: None heard.

Motion by: Sablan

Second by: Morales

Ayes: Morales, Sablan, Perea, Utecht

Noes: None heard.

3. FISCAL YEAR 2015-2016 LIGHTHOUSE FOR CHILDREN PROPOSED BUDGET

Public Comment: None heard.

Motion by: Utecht

Second by: Morales

Ayes: Morales, Sablan, Perea, Utecht

Noes: None Heard.

4. PROCUREMENT FOR A GENERAL CONTRACTOR FOR THIRD FLOOR TENANT IMPROVEMENTS

Chair Perea asked Legal Counsel if the Board is required to hire a local builder for this project.

Ken Price, Legal Counsel, stated that the Board is not required to get in to contract with

local contractors.

Public Comment: None heard.

Motion by: Morales
Ayes: Morales, Sablan, Perea, Utecht
Noes: None heard.

Second by: Utecht

5. PUBLIC COMMENT

Public Comment: None Heard.

No action required.

6. ADJOURNMENT

LIGHTHOUSE FOR CHILDREN, INC.

**Board Meeting
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**2405 Tulare Street
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AGENDA ITEM NO.4

TO: Lighthouse for Children Board Members
FROM: Emilia Reyes, Executive Director
SUBJECT: Fiscal Year 2016 – 2017 Lighthouse for Children, Inc. Proposed Budget

RECOMMENDED ACTION:

Approve the Lighthouse for Children Fiscal Year (FY) 2016 – 2017 Proposed Budget.

REASON FOR RECOMMENDED ACTION:

The overall purpose of the budget is to implement the resources of the Lighthouse for Children (LFC) Inc. to support First 5 Fresno County's strategic plan and to allocate funds designed to positively impact young children and their families receiving services at the Lighthouse for Children facility. The attached proposed budget includes revenues of unspent funds from the original construction of the facility and rent from the master lease tenant, First 5 Fresno County. Staff recommends the continued allocation of these revenues for future third floor tenant improvements estimated to be re-released in late September 2016.

In March of 2016, the Board gave staff direction to release procurement for a General Contractor to build out the remaining space on the third floor of the facility. The tenant improvements for the third floor of the facility were postponed causing the original budgeted amount to be carried over to the 2016-2017 fiscal year.

First 5 Fresno County, the master lease tenant, obtained subleases with Fresno County Superintendent of Schools (FCSS) for three of their departments, the FRIENDS Early Intervention (Special Education) Program, the Foster Youth Services Coordination and Homeless Youth Education Services Program and the Early Care & Education Department, fully maxing out the capacity of the facility. These FCSS departments are expanding and have requested additional space in order to meet their needs. As the Lighthouse for Children master lease tenant, First 5 Fresno County is initially responsible for the cost of tenant improvements. First 5 Fresno County plans to incorporate the cost of the tenant improvements into FCSS's sublease agreement for five (5) years.

FISCAL IMPACT: An approved FY 2016-2017 budget is necessary for the Lighthouse for Children, Inc. to make acceptable and allowable financial decisions.

FUTURE IMPLICATIONS:

The FY 2016-2017 proposed budget attached provides a financial framework to allocate funds and cover operational costs for Lighthouse for Children, Inc.



**2016-2017
PROPOSED BUDGET**

**2405 Tulare St.
Fresno, CA 93721**

(559) 558-4900

Lighthouse for Children, Inc.
FY 2016 - 2017 Budget

REVENUE	Current Year (FY2016-2017)	Previous Year (FY2015-2016)	Variance
Fund Balance as of June 30, 2016	\$250,000	\$117,000	(\$133,000)
Annual Rent Income	\$148,000	\$185,000	\$37,000
Total Revenue	\$398,000	\$302,000	(\$96,000)
Contributed Income			
Tenant Improvement Contribution	\$184,000	\$0	(\$184,000)
Individual Donor	\$0	\$0	\$0
Total Contributed Income	\$184,000	\$0	(\$184,000)
TOTAL INCOME	\$582,000	\$302,000	(\$280,000)
EXPENSES			
Operating Expense			
Administrative Contract	\$25,000	\$20,000	(\$5,000)
Tenant Improvements (3rd Floor)	\$422,000	\$0	(\$422,000)
Insurance	\$17,000	\$17,000	\$0
Professional Services	\$8,000	\$15,000	\$7,000
NMTC Interest Payments	\$110,000	\$0	(\$110,000)
Total Operating Expenses	\$582,000	\$52,000	(\$530,000)
TOTAL OPERATING EXPENSES	\$582,000	\$52,000	(\$530,000)
Net Income or Loss	(\$0)	\$250,000	\$250,000

LIGHTHOUSE FOR CHILDREN, INC.

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AGENDA ITEM NO.5

TO: Lighthouse for Children Board Members
FROM: Emilia Reyes, Executive Director
SUBJECT: 3rd Floor Tenant Improvement Construction Bids

RECOMMENDED ACTION:

Reject all 3rd floor construction bids and approve to re-open the revised construction bid in the fall.

REASON FOR RECOMMENDED ACTION:

The only bid submitted for the 3rd Floor Tenant Improvements was 171.6% higher than the engineer's estimated cost. As a result, staff believes it to be in the public's interest to revise the 3rd Floor Tenant Improvement plans and rebid the project. Therefore, staff recommends the Lighthouse for Children Board rejects the bid submitted for the 3rd Floor Tenant Improvements. In addition, staff proposes that Lighthouse for Children re-advertise for the 3rd Floor Tenant Improvements in mid-September and open bids for an award in mid-October. Material changes have been made to allow the plans to be more attractive to a wider pool of bidders and to help reduce estimated bid prices, without compromising the functionality of the third floor. The architect is finalizing the plans now. Staff will work to promote the opportunity with members of the construction industry as more competition will help the project stay within budget.

Background:

Lighthouse for Children published a notice in the Fresno Bee on April 12, 2016 and April 19, 2016, inviting bidders to bid on The Lighthouse for Children 3rd Floor Tenants Improvements. The project was generally described as follows: Lighthouse for Children 3rd Floor Interior Tenant Improvements of new offices and a meeting room, on shelled space of existing building plus minor site work if required. At the close of the bidding process on May 16, 2016, there was only one contractor that bid on the construction of the 3rd Floor Tenant Improvements. Marko Construction Group, Inc. is that sole bidder.

The Board's engineer's construction cost estimate for these improvements was \$440,000. The lump sum base price bid by Marko Construction Group, Inc. was \$755,093. This is \$315,093 over the cost estimate.

Article 19.01 of the Instructions to Bidders for the 3rd Floor Tenant Improvements specifically states the "Owner reserves the right to reject any or all Bids, including, without limitation, nonconforming, nonresponsive, unbalanced, or conditional Bids." Staff recommends that the Lighthouse for Children Board reject all bids submitted for the 3rd Floor Tenant Improvements in compliance with its original bid documents.

Procurement Procedure and Process: Following the board direction, staff will work with the architectural team to update full plans and re-release the appropriate procurement method based on the LFC procurement policies & procedures.

FISCAL IMPACT:

Funding for the 3rd floor tenant improvement construction project has been allocated from the FY2016-2017 LFC Budget.

FUTURE IMPLICATIONS:

If approved by LFC Board, staff will re-release the third floor construction bid. Once a general contractor has been identified, staff will bring forward the recommendation to the LFC Board for approval.

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AGENDA ITEM NO.6

TO: Lighthouse for Children Board Members

FROM: Emilia Reyes, Executive Director

SUBJECT: Authorization to Enter Into Negotiations with Valley Children's Hospital for the Possible Construction of a Health-Related Service Center on the Grounds of the Lighthouse for Children.

RECOMMENDED ACTION:

Authorize staff and counsel to commence negotiations.

REASON FOR RECOMMENDED ACTION:

At the outset of the planning and construction of the Lighthouse for Children (LFC), the Commissioners of First 5 Fresno County had envisioned a "Phase 2" of the project. This next phase, which would be on the southwest corner of the property, would address in some way specific healthcare needs of children in Fresno County. As part of this vision, LFC Executive Director Emilia Reyes has had discussions with Valley Children's Hospital to partner on the construction of a building that would offer various health-related services to children in Fresno County, particularly children living closer to the urban core of Fresno (at least 13 different zip code areas). LFC has contemplated the building would house specialized services, including child abuse treatment, high-risk infant follow-up appointments, speech, physical and behavioral therapy to name a few. Staff envisions an adjacent building between 4,000 and 5,000 square feet and generally matching the exterior features of the current LFC.

To accomplish this goal, LFC could either (i) construct the building itself and contract with a healthcare provider to offer such services, or (ii) partner with a healthcare provider to construct building and offer the services. After reviewing the options, staff presents for consideration the second option given it would be more productive and cost efficient.

Under this scenario, LFC would either sell, or enter into a long-term lease, for that portion of ground where the building will be located. Such a transaction would require the property to be subdivided. LFC legal counsel has reviewed the New Market Tax Credit (NMTC) agreements and has talked with the NMTC specialty attorney that represented the First 5 Fresno County Commission regarding financing of the LFC. LFC Legal Counsel believes with the approval of the NMTC investors and amendments to the NMTC agreements, it is possible to accomplish this project. LFC would contract with the partner to ensure the building is used in a manner acceptable to the First 5 Fresno County Commission.

LFC as a public benefit corporation is not required to procure a partner for this project. The Board may choose, in its discretion, to negotiate directly with Valley Children's Hospital or find other qualified partners for this project.

FISCAL IMPACT:

Staff is requesting authorization to negotiate. At this point, LFC's financial participation, if at all, in such a project remains an open notion. Staff will receive direction from the Board.

FUTURE IMPLICATIONS:

The construction of a Phase 2 to house specialized health-related activities serving primarily young children ages 0 to 5 and their families has been an objective for LFC and First 5 Fresno County since the inception of the Lighthouse for Children. Staff requests guidance by the Board on how it should proceed to accomplish this goal.