

CAPISTRANO BAY DISTRICT
AGENDA REPORT
August 30, 2011

Financial Reports

ITEM G.4

Second Review of Proposed Budget for Year-ending June 2012

In the previous meeting the Board requested more information regarding several budget items. Those items are discussed as follows:

1. *Consideration of Security Service proposals*
(This item is discussed under agenda item F.2)

2. *Administration Office Costs*

The District Manager was asked by the Board in late April to provide a cost estimate for the proposed admin office project. May and June are typically a busy time for District staff because of budget preparation and with very little time to set aside, the Manager was able to work up a brief estimate of what he thought the project might cost.

The Board reviewed the estimate and objected, saying the price is too low and requested a more exact and realistic figure. I should have been more assertive in the last meeting in explaining that this a job for a professional consultant to handle so I will say that now and request that the Board give direction on hiring a consultant to get this done.

3. *Proposals for a Budget Reserve Study*

The Manager was given instructions to obtain bids for a reserve study. I made an internet search and located several firms of which I tried to contact for a response. My results so far are not good – I have only been able to generate interest with one firm, C.M. deCrisis & Co. They were referred to the District by our auditor, Paul Kaymark. Financial audit information was asked for and provided along with a list of our proposed capital improvement projects and general description of our infrastructure. A proposal has not been submitted yet but is expected in time for review at our meeting Tuesday. I would appreciate the Board weighing in here and providing some direction to reliable firms who provide this service as this is a new subject for which I am unfamiliar and am asking for the Board's guidance.

4. *Roadway Slurry Cost Estimates*

The District's pavement maintenance engineer, LaBelle Marvin Inc., provided the District with a pavement repair recommendation in January and advised that the maintenance should be performed this year to maximize on the road's good condition through the future. At the previous meeting the manager was directed to obtain bids from several pavement contractors based on their recommendations for maintenance and not based on the engineer's report and findings. Those bids are as follows:

Golden State Paving	178,342 sq. ft.	\$16,246.00 = \$.09/sq.ft
<i>One coat of "Guard Top Seal"</i>		
OliverMahon Paving	155,145 sq.ft.	\$13,996.00 = \$.09/sq.ft
<i>One heavy coat of "Guard Top"</i>		
El Camino Paving	153,328 sq. ft.	\$15,500.00 = \$.10/sq.ft
<i>One coat Industrial Pavement Sealer</i>		

*It is already obvious that there are substantial differences in math and measuring. Bidding work without a guideline or template containing specs and quantities does not yield useable comparative bids. So far, the only consistency is the use of the slurry product.

*Secondly, their individual line item prices for the various repairs to low spots, cracked concrete manhole rings, valley gutter panels and pavement striping are all over the map and indicate they have missed several areas that need repair ahead of slurry application.

I disagree with and cannot recommend the Board's directive to disregard our professional pavement engineer's recommendations and specs and go with whatever the paving contractor comes up with. It is my job as your manager to protect your \$1.2 Million road replacement investment to the best of my ability and relying solely on the recommendations by the competing contractors for the work produces questionable and suspect information

5. *Cost Estimates for Storm Drain No. 2 (35125 Beach Road)*

I have submitted a concept plan with hydrology to City Planning to determine whether a permit will be required. Our planner has not yet come back with a determination. I have the impression they are looking at the overall hydrology of the entire drainage for this area to determine whether the drain needs to be restored at all. A cost estimate will not be prepared in time for this meeting.