



THE CITY OF  
NOVATO  
CALIFORNIA

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[www.novato.org](http://www.novato.org)

Mayor  
Jeanne MacLeamy  
Mayor Pro Tem  
Pat Eklund  
Councilmembers  
Denise Athas  
Madeline Kellner  
Eric Lucan  
  
City Manager  
Michael S. Frank

JOINT CITY COUNCIL/  
CITY COUNCIL AS SUCCESSOR AGENCY TO DISSOLVED  
REDEVELOPMENT AGENCY/MVMCC MEETING  
to be held at

MARIN VALLEY MOBILE COUNTRY CLUB  
100 MARIN VALLEY DRIVE  
MARCH 31, 2015  
6:30 PM

(DISCUSS ITEMS RELATED TO  
MARIN VALLEY MOBILE COUNTRY CLUB)

AGENDA

A. CALL TO ORDER

B. APPROVAL OF FINAL AGENDA

6:35 P.M. (Time is approximate.)

C. PUBLIC COMMENTS

This comment session is for items not on the agenda or for items listed on the Consent Calendar. See agenda cover page for information about Public Comment periods and associated protocol.

6:45 P.M. (Time is approximate.)

D. CONSENT CALENDAR

1. PRESENT APPROVED MINUTES FROM JUNE 3, 2014
2. FINANCIAL ANALYSIS FOR PERIODS MAY 2014 – JANUARY 2015

Consider receiving the financial report for Marin Valley Mobile Country Club for the periods of May 2014 through February 2015.

**Recommendation: Receive report.**

6:50 P.M. (Time is approximate.)

**E. GENERAL BUSINESS**

3. MID-YEAR BUDGET UPDATE AND APPROVAL OF CAPITAL BUDGET ADJUSTMENT

Consider 1.) Receiving an update report from Frei Real Estate Services on the mid-year budget for MVMCC and 2.) Approving the following minor budget adjustments to the FY 14/15 MVMCC Capital Improvement Program budget due to an unforeseen capital need to fund improvements to the detection and cathodic protection system within the gas utility system which results in no net increase to the capital budget:

1. Decrease the New Ballroom Floor from \$50,000 to \$40,000.
2. Increase the Gas Utility Capital line item from zero to \$10,000.

**Recommendation: Receive report and approve budget adjustments.**

4. FY 14/15 BUDGET – UPDATE ON LONG TERM INFRASTRUCTURE CAPITAL IMPROVEMENT PROJECTS

Consider receiving an update on FY 14/15 MVMCC Long Term Infrastructure Capital Improvement Projects.

**Recommendation: Receive update.**

5. UPDATE ON THE CITY'S INITIAL APPLICATION FOR THE *MOBILEHOME PARK UTILITY UPGRADE PROGRAM* FOR GAS & ELECTRIC SERVICES

Consider receiving information regarding the City's initial application for the Mobilehome Park Utility Upgrade Program for Gas & Electric Services to the California Public Utilities Commission to convert MVMCC from a master-meter gas & electric services to direct service with PG&E with new gas and electric infrastructure.

**Recommendation: Receive information.**

6. UPDATE ON EMERGENCY PREPAREDNESS INITIATIVES

Consider receiving information regarding a number of emergency preparedness initiatives that are underway at MVMCC.

**Recommendation: Receive information.**

7. UPDATE ON PG&E EASEMENT FOR GAS LINE MAINTENANCE AT TOP OF VIEW RIDGE

Consider receiving an update regarding gas line maintenance on a PG&E easement at View Ridge and a number of property changes that were negotiated on behalf of the affected residents.

**Recommendation: Receive information.**

8. PROCESS UPDATE ON MVMCC FY 15/16 BUDGET AND LONG RANGE FINANCIAL PLAN

Consider receiving an update on the process for the upcoming FY 15/16 MVMCC budget and update of the Long Range Financial Plan.

**Recommendation: Receive update.**

8:30 P.M. (Time is approximate.)

**F. REGULAR REPORTS**

- 9. Park Management Verbal Update
- 10. PAC Update

**G. BOARD/STAFF COMMENTS**

- 11. City Staff Verbal Updates
- 12. Next meeting date – Monday, June 8, 2015

9:00 P.M. (Time is approximate.)

**H. ADJOURNMENT**

**AFFIDAVIT OF POSTING**

I, Sheri Hartz, certify that on March 25, 2015, I caused to be posted the agenda of the March 31, 2015 joint special meeting of the City Council and City Council as Successor Agency to Dissolved Redevelopment Agency of the City of Novato, California, on the City Community Service Board in the Police Department and on the City's website at [www.novato.org](http://www.novato.org). In addition, a copy of the agenda and packet was delivered to the MVMCC Clubhouse for resident review and emailed to the PAC Webmaster for posting on the MVMCC web site.

/Sheri Hartz/  
Sheri Hartz, City Clerk

MINUTES OF SPECIAL CITY COUNCIL MEETING  
MARIN VALLEY MOBILE COUNTRY CLUB  
100 MARIN VALLEY DRIVE  
TUESDAY, JUNE 3, 2014 – 7:17 P.M.

## A. CALL TO ORDER

ROLL CALL

Present: Mayor Lucan  
Mayor Pro Tem MacLeamy  
Councilmember Athas  
Councilmember Eklund  
Councilmember Kellner

Absent: None

Also Present: Assistant City Manager Cathy Capriola, Engineering Manager Julian Skinner, Finance Manager Brian Cochran, Assistant City Attorney Veronica Nebb and City Clerk Sheri Hartz.

## B. APPROVAL OF FINAL AGENDA

*Councilmember Eklund moved, Seconded by Councilmember Athas, to approve the Final Agenda. **The motion carried unanimously.***

## C. PUBLIC COMMENTS

1. Alan Gump thanked staff for its work on the budget.
2. Mike Read asked when the change of ownership discussions would resume, discussed the downturn in profit for the Park and opposed a rent increase.
3. Valerie Barber asked for an update on the status of Trust for Public Lands properties recently acquired.

Assistant City Manager Capriola responded to questions raised during Public Comment, stating that the ownership discussions would be picked back up in the fall of 2014 and that staff is actively working with Federal government officials on the TPL transaction.

## D. CONSENT CALENDAR

1. RECEIVE APPROVED MINUTES OF DECEMBER 9, 2013
2. MONTHLY FINANCIAL ANALYSIS – NOVEMBER 2013 THROUGH APRIL 2014

*Councilmember Kellner moved, Seconded by Mayor Pro Tem MacLeamy, to approve the Consent Calendar. **The motion carried unanimously.***

E. GENERAL BUSINESS

3. FY 14/15 BUDGET – OPERATING AND CAPITAL FOR MARIN VALLEY MOBILE COUNTRY CLUB (MVMCC)

Presentation and overview of the annual MVMCC budget. Review, accept input, and take action on the FY 14/15 Operating and Capital Budget for the Marin Valley Mobile Country Club.

Assistant City Manager Capriola gave the staff presentation. She stated that the budget was prepared by Frei Real Estate and then reviewed and approved by the PAC, who held a resident meeting and gave resident input back to Frei. She said the recommended rent increase was 2%, and added a reminder that there had been no increase in rent since 2009 when it was only 3%. She stated that the increase was needed to help maintain the Park's infrastructure. She concluded by stating that the increase amount was tied to CPI.

Ms. Capriola reported that the hiring of Manager Matt Greenberg had greatly benefitted the Park, but had resulted in compensation increases. She said that Mr. Greenberg was catching up with capital improvement projects which he was driving. She stated that other planned improvements included a projector and screen and security cameras, and that the City recommended consulting with the Police Department to learn best practice. She added that the emergency services team would get money toward training.

Regarding the Capital Budget, she stated that some projects are rolling over from the prior year such as painting, air conditioning, the driveway and renovation of the ballroom floor after the ADA study was complete, as well as shades and awnings for clubhouse, clubhouse beams, and continuing geotechnical work.

Engineering Manager Skinner reported on long-term infrastructure, stating there were three capital projects for 2015 identified in the Conditions Report:

1. Two pump stations: Current pumps are out of date and require maintenance; need to be upgraded to meet code (\$60K)
2. Slope stability: Preliminary work has been done, but more investigation is needed on hillsides to determine the stabilization and design improvements necessary. (\$185K)
3. ADA clubhouse improvements: Need a plan to systematically address total need of \$300K. Will use help of an architect to prioritize and work with PAC to address Park interests. (\$105K this year)

Mr. Skinner also reported on the Engineering Study, recommending that funding for this be taken out of the infrastructure reserve fund. He went on to say that the Condition Report contained good and bad news with nothing being at the failure stage, but that age will eventually become a factor. He estimated that most of the systems in the Park would need to be replaced within a 10- to 20-year time frame. He explained that we need to plan how we would gradually

replace all of the utilities within the Park which would cost approximately \$7 to \$10M, of which \$700,000 to \$1M would be for engineering. He said that the utilities run under the coach units, which is not ideal, and that we would be doing some preliminary engineering about placement and possibly changing current conditions and ultimate utility configurations. He reported that the project would need to be phased and the improvements done in certain order.

#### COUNCILMEMBER QUESTIONS

Mayor Pro Tem Macleamy asked whether the hiring of Mr. Greenberg had resulted in a reduction of City staff time regarding Park matters, to which Ms. Capriola responded that it had and stated that Mr. Frei would make the determination of whether his performance warrants a salary increase.

Councilmember Eklund stated that she had suggested looking at whether LAFCO can change the Park's sanitary district from Las Gallinas to Novato Sanitary to save money and so lifters and pumps are not needed. Mr. Skinner replied that staff time to look at the sewer situation has been budgeted.

#### PUBLIC COMMENT

4. Mike Read asked whether reports done today would be relevant in 10 to 20 years and spoke in opposition to a rent increase. He asked that a flat rate of 2% not be imposed as that would penalize those residents who already pay a higher rate than others.
5. Sandy Duncan asked why is there \$7,000 in the budget to install a projector and screen in the ballroom and how many times would it be used. She felt the funds should be used toward the engineering study instead.
6. Henry Firmer expressed concerns about the water quality in Marin Valley, stating that the water was very hard and asked whether there have there been studies?
7. Jan Thomas stated that speakers should be required to state their addresses first and that Mike Read did not live at the Park.
8. Frank Simpson spoke regarding the rent increase, stating that the discrepancy among amounts paid by residents needs to be addressed.
9. Anila Manning stated that, when looking at the option of having individual electric meters at each site, Smart meters should not be considered.

Ms. Capriola responded to questions raised during public comment. Regarding the matter of studies becoming obsolete, she said that the goal was to do work that would be usable in the future no matter what changes occur and that conceptual planning can be used as a base. On the issue of rent, she stated that there are limited options on what we can do about rent. She said the new rate would go into effect January 2015, so would be collected for half of the fiscal year.

Assistant City Attorney Nebb spoke to the issue of rent discrepancy, stating that the discrepancies already existed when the Park was purchased. She said that the differentials in rent amounts were related to factors such as the size of the space and whether or not the space had a

view. She stated that under the previous ownership and prior to the City's rent control ordinance, turnover in mobile home ownership normally resulted in the rent being raised if the owner so chose, but that was no longer the case after the City instituted rent control for mobile homes in 1997, and that as to Marin Valley, no new differentials related to mobile home turnover have occurred since the City took over ownership of the Park. Related to the flat rate increase, she stated that, if a flat dollar figure increase was applied, it would not close the existing differential but likewise would not contribute to increasing the differential. She explained, however, that the City is restricted from flattening the rent differential by raising the rents of the lower rent spaces in the park because our own City ordinance states that rents may only be increased by 100% of CPI. She added that, since the City is obligated by our loan agreement to meet its debt service coverage ratio, we likewise cannot flatten the rent differential by decreasing the higher rents to meet those that are lower. The only real options that the City has to flatten the rent differential would be to possibly make incremental adjustments to reduce the differential gap.

Regarding the projector and screen proposal, PAC President Jim Olsen said that the vision was to hold movie nights and renting the space for other uses. He said it was second time the idea had been brought forward and that, several times per year, presentations were given and a projector and screen would have been useful. In response to a question from Councilmember Eklund regarding whether there was resident support for the idea, Mr. Olsen stated that he hadn't heard any opposition.

Mr. Skinner spoke to the question about water quality, stating that the Water District had performed a study two years prior, sampling and screening for content, and, at the time, all tests met standards for safety. Regarding individual meters, he said that would be part of the engineering study but that Smart meters may be mandated by PG&E.

*Councilmember Kellner moved, Seconded by Councilmember Athas, to approve the FY 14/15 Budget – Operating and Capital – for Marin Valley Mobile Country Club (MVMCC) as amended to move funding of the generator to the next fiscal year and to approve funding the Engineering Study out of the longterm infrastructure reserve fund. **The motion carried unanimously.***

## F. REGULAR REPORTS

### 4. PARK MANAGEMENT UPDATE: AL FREI

Mr. Frei reported on the progress of the onsite staff added after last year's budget process, stating that the new manager, Matt Greenberg, has far exceeded expectations. He said the Park was benefitting from the resources made available by the City, such as Mr. Skinner's engineering expertise, and working with Ms. Capriola over the last two years had been a great experience.



5. UPDATE FROM PAC: JIM OLSON, PAC PRESIDENT

Mr. Olson reported that, with the newly installed sign structure, four announcements can be displayed at once. He stated that the HOL was coordinating all sorts of activities for residents, that MVEST (Marin Valley Emergency Services Team) had been very active and that revised clubhouse event and tree policies were being drafted.

Mr. Olson also stated that he had financial concerns about the Park and felt it was unlikely that all of the infrastructure improvements that would be needed over the coming years could be covered. He felt that the rent increase was needed and that it was vital to develop a plan for infrastructure work going forward. He said that as more things that need to be done require approval from the City, turnaround needed to be quicker and advocated for less planning, less talking and more doing. He concluded by announcing that the following Saturday was his last day on the PAC Board, and thanked the Council and staff.

G. BOARD/STAFF COMMENTS

None

H. ADJOURNMENT

At 8:22 p.m., the meeting was adjourned in memory of Ted McCarthy.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Novato City Council.

/Sheri Hartz/

Sheri Hartz, City Clerk



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## STAFF REPORT

### MEETING

DATE: March 31, 2015

TO: City Council

FROM: Brian Cochran, Finance Manager

SUBJECT: **MVMCC FINANCIAL UPDATE MAY 2014 THROUGH  
FEBRUARY 2015**

### REQUEST

Consider receiving the financial report for Marin Valley Mobile Country Club for the periods of May 2014 through February 2015.

### RECOMMENDATION

Receive report.

### DISCUSSION

Attached are copies of the latest financial reports for Marin Valley Mobile Country Club, encompassing the periods of May 2014 through February 2015. Below is an update for the current reserve balances as of January 2015.

<b>Reserve Balances at May 31, 2014:</b>	<b>\$3,085,566</b>
<b><u>Reserve Balances at February 28, 2015:</u></b>	<b><u>\$3,701,917</u></b>
<b>Increase / (Decrease) in Reserves:</b>	<b>\$616,351</b>

The park is required to maintain a 2.00 debt service coverage ratio per the loan agreement with Bank of Marin. Thus far in Fiscal Year 2014/15, the park is showing a coverage ratio of 2.73.

**Bank of Marin Loan Outstanding: \$ 6,986,241**

In the past, some members of the public and the Council expressed interest in knowing the investment returns of the park balances that are being invested. Other than the balances being held at Bank of Marin in the "MVMCC Operating Account" and the "MVMCC Accounts Payable" account, all other reserve funds are credited interest at the City's general investment portfolio rate. For the most recent quarter, the portfolio earned 0.89% on an annualized basis.

### ATTACHMENTS

1. Monthly Financial Summary Reports for MVMCC - May 2014 through February 2015

## Management Report for Period Ending May 31, 2014

Date: June 13, 2014

To: City of Novato  
Park Acquisition Corporation

From: Al Frei

Re: Marin Valley Mobile Country Club

### Financial Information

Petty Cash	1,700.00
MVMCC Operating Account	446,803.16
MVMCC Accounts Payable	2,797.86
Westamerica Bank - Capital Reserves	1,000,000.00
Westamerica Bank - Long Term Reserves	1,445,631.91
Westamerica Bank - Operating Reserves	250,000.00
Westamerica Bank - City Funds	22,002.04
Total	<u><u>\$3,168,934.97</u></u>

### Current Year Activity

	<u>Current Period</u>	<u>Year to Date</u>
Income	248,071.84	2,795,137.72
Operating Costs	96,532.01	1,122,598.18
Project Costs	13,300.84	488,264.05
Other Costs	20,094.99	510,205.56
Net	<u><u>\$118,144.00</u></u>	<u><u>\$674,069.93</u></u>

Debt Service Coverage Ratio - Year to Date 2.80

### Management Notes / Updates

None.
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# FREI REAL ESTATE SERVICES

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## Management Report for Period Ending June 30, 2014

Date: July 15, 2014  
To: City of Novato  
Park Acquisition Corporation  
From: Al Frei  
Re: Marin Valley Mobile Country Club

### Financial Information

Petty Cash	1,700.00
MVMCC Operating Account	524,200.41 67
MVMCC Accounts Payable	1,404.63
Westamerica Bank - Capital Reserves	1,000,000.00
Westamerica Bank - Long Term Reserves	1,445,631.91
Westamerica Bank - Operating Reserves	250,000.00
Westamerica Bank - City Funds	22,002.04
Total	<u><u>\$3,244,938.99</u></u>

### Current Year Activity

	<u>Current Period</u>	<u>Year to Date</u>
Income	248,100.42	3,043,238.14
Operating Costs	91,767.21	1,214,365.39
Project Costs	27,675.84	515,939.89
Other Costs	18,109.73	528,315.29
Net	<u><u>\$110,547.64</u></u>	<u><u>\$784,617.57</u></u>

Debt Service Coverage Ratio - Year to Date 2.81

### Management Notes / Updates

None.

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## Management Report for Period Ending July 31, 2014

Date: August 15, 2014  
To: City of Novato  
Park Acquisition Corporation  
From: Al Frei  
Re: Marin Valley Mobile Country Club

### Financial Information

Petty Cash	1,700.00
MVMCC Operating Account	621,894.60
MVMCC Accounts Payable	899.36
Westamerica Bank - Capital Reserves	1,000,000.00
Westamerica Bank - Long Term Reserves	1,445,631.91
Westamerica Bank - Operating Reserves	250,000.00
Westamerica Bank - City Funds	22,002.04
Total	<u><u>\$3,342,127.91</u></u>

### Current Year Activity

	<u>Current Period</u>	<u>Year to Date</u>
Income	250,371.61	250,371.61
Operating Costs	86,998.00	86,998.00
Project Costs	10,260.84	10,260.84
Other Costs	17,358.60	17,358.60
Net	<u><u>\$135,754.17</u></u>	<u><u>\$135,754.17</u></u>

Debt Service Coverage Ratio - Year to Date 3.01

### Management Notes / Updates

None.

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## **Management Report for Period Ending August 31, 2014**

Date: September 15, 2014  
To: City of Novato  
Park Acquisition Corporation  
From: Al Frei  
Re: Marin Valley Mobile Country Club

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### **Financial Information**

Petty Cash	1,700.00
MVMCC Operating Account	378,403.79
MVMCC Accounts Payable	417.19
Westamerica Bank - Capital Reserves	1,000,000.00
Westamerica Bank - Long Term Reserves	1,745,631.91
Westamerica Bank - Operating Reserves	250,000.00
Westamerica Bank - City Funds	22,002.04
Total	<u><u>\$3,398,154.93</u></u>

### **Current Year Activity**

	<u>Current Period</u>	<u>Year to Date</u>
Income	246,990.45	497,362.06
Operating Costs	102,422.23	189,420.23
Project Costs	12,623.84	22,884.68
Other Costs	39,358.22	56,716.82
Net	<u><u>\$92,586.16</u></u>	<u><u>\$228,340.33</u></u>

Debt Service Coverage Ratio - Year to Date 2.84

### **Management Notes / Updates**

None.

## Management Report for Period Ending September 30, 2014

Date: October 15, 2014  
 To: City of Novato  
 Park Acquisition Corporation  
 From: Al Frei  
 Re: Marin Valley Mobile Country Club

### Financial Information

Petty Cash	1,700.00
MVMCC Operating Account	447,821.86
MVMCC Accounts Payable	742.12
Westamerica Bank - Capital Reserves	1,000,000.00
Westamerica Bank - Long Term Reserves	1,745,631.91
Westamerica Bank - Operating Reserves	250,000.00
Westamerica Bank - City Funds	22,002.04
Total	<u><u>\$3,467,897.93</u></u>

### Current Year Activity

	<u>Current Period</u>	<u>Year to Date</u>
Income	248,084.47	745,446.53
Operating Costs	75,515.96	264,936.19
Project Costs	47,180.34	70,065.02
Other Costs	18,711.31	75,428.13
Net	<u><u>\$106,676.86</u></u>	<u><u>\$335,017.19</u></u>

### Bank of Marin Loan Payments

Principal	36,838.41	110,815.20
Interest (Included above)	17,425.95	51,977.88
Total Debt Service	<u><u>54,264.36</u></u>	<u><u>162,793.08</u></u>

Debt Service Coverage Ratio - Year to Date 2.95

### Management Notes / Updates

None.

## Management Report for Period Ending October 31, 2014

Date: November 14, 2014  
To: City of Novato  
Park Acquisition Corporation  
From: Al Frei  
Re: Marin Valley Mobile Country Club

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### Financial Information

Petty Cash	1,700.00
MVMCC Operating Account	492,895.33
MVMCC Accounts Payable	521.86
Westamerica Bank - Capital Reserves	1,000,000.00
Westamerica Bank - Long Term Reserves	1,745,631.91
Westamerica Bank - Operating Reserves	250,000.00
Westamerica Bank - City Funds	22,002.04
Total	<u><u>\$3,512,751.14</u></u>

### Current Year Activity

	<u>Current Period</u>	<u>Year to Date</u>
Income	246,477.03	991,923.56
Operating Costs	118,225.66	383,161.85
Project Costs	26,788.84	96,853.86
Other Costs	17,278.12	92,706.25
Net	<u><u>\$84,184.41</u></u>	<u><u>\$419,201.60</u></u>

### Bank of Marin Loan Payments

Principal	37,486.24	148,301.44
Interest (included above)	16,778.12	68,756.00
Total Debt Service	<u><u>54,264.36</u></u>	<u><u>217,057.44</u></u>

Debt Service Coverage Ratio - Year to Date 2.80

### Management Notes / Updates

None.



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## Management Report for Period Ending November 30, 2014

Date: December 15, 2014  
To: City of Novato  
Park Acquisition Corporation  
From: Al Frei  
Re: Marin Valley Mobile Country Club

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### Financial Information

Petty Cash	1,700.00
MVMCC Operating Account	561,965.77
MVMCC Accounts Payable	1,261.79
Westamerica Bank - Capital Reserves	1,000,000.00
Westamerica Bank - Long Term Reserves	1,745,631.91
Westamerica Bank - Operating Reserves	250,000.00
Westamerica Bank - City Funds	22,002.04
Total	<u><u>\$3,582,561.51</u></u>

### Current Year Activity

	<u>Current Period</u>	<u>Year to Date</u>
Income	238,789.13	1,230,712.69
Operating Costs	93,379.86	476,541.71
Project Costs	22,418.12	119,271.98
Other Costs	17,246.66	109,952.91
Net	<u><u>\$105,744.49</u></u>	<u><u>\$524,946.09</u></u>

### Bank of Marin Loan Payments

Principal	37,017.70	185,319.14
Interest (included above)	17,246.66	86,002.66
Total Debt Service	<u><u>54,264.36</u></u>	<u><u>271,321.80</u></u>

Debt Service Coverage Ratio - Year to Date 2.78

### Management Notes / Updates

None.

## Management Report for Period Ending December 31, 2014

Date: January 15, 2015  
 To: City of Novato  
 Park Acquisition Corporation  
 From: Al Frei  
 Re: Marin Valley Mobile Country Club

### Financial Information

Petty Cash	1,700.00
MVMCC Operating Account	567,739.72
MVMCC Accounts Payable	(446.15)
Westamerica Bank - Capital Reserves	1,000,000.00
Westamerica Bank - Long Term Reserves	1,745,631.91
Westamerica Bank - Operating Reserves	250,000.00
Westamerica Bank - City Funds	22,002.04
Total	<u><u>\$3,586,627.52</u></u>

### Current Year Activity

	<u>Current Period</u>	<u>Year to Date</u>
Income	251,873.40	1,482,586.09
Operating Costs	112,917.59	589,459.30
Project Costs	79,185.48	198,457.46
Other Costs	16,991.57	126,944.48
Net	<u><u>\$42,778.76</u></u>	<u><u>\$567,724.85</u></u>

### Bank of Marin Loan Payments

Principal	37,660.35	222,979.49
Interest (included above)	16,604.01	102,606.67
Total Debt Service	<u><u>54,264.36</u></u>	<u><u>325,586.16</u></u>

Debt Service Coverage Ratio - Year to Date 2.74

### Management Notes / Updates

None.

# FREI REAL ESTATE SERVICES

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## Management Report for Period Ending January 31, 2015

Date: February 13, 2015  
To: City of Novato  
Park Acquisition Corporation  
From: Al Frei  
Re: Marin Valley Mobile Country Club

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### Financial Information

Petty Cash	1,700.00
MVMCC Operating Account	227,465.93
MVMCC Accounts Payable	548.11
Westamerica Bank - Capital Reserves	1,000,000.00
Westamerica Bank - Long Term Reserves	2,178,773.42
Westamerica Bank - Operating Reserves	250,000.00
Total	<u><u>\$3,658,487.46</u></u>

### Current Year Activity

	<u>Current Period</u>	<u>Year to Date</u>
Income	259,363.78	1,741,949.87
Operating Costs	112,535.53	701,994.83
Project Costs	27,448.33	225,905.79
Other Costs	17,066.34	144,010.82
Net	<u><u>\$102,313.58</u></u>	<u><u>\$670,038.43</u></u>

### Bank of Marin Loan Payments

Principal	37,198.02	260,177.51
Interest (included above)	17,066.34	119,673.01
Total Debt Service	<u><u>54,264.36</u></u>	<u><u>379,850.52</u></u>

Debt Service Coverage Ratio - Year to Date 2.74

### Management Notes / Updates

None.

# FREI REAL ESTATE SERVICES

8340 AUBURN BLVD. • SUITE 100 • CITRUS HEIGHTS, CA 95610 • (916) 722-8110 • FAX (916) 722-8111

## Management Report for Period Ending February 28, 2015

Date: March 13, 2015  
To: City of Novato  
Park Acquisition Corporation  
From: Al Frei  
Re: Marin Valley Mobile Country Club

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### Financial Information

Petty Cash	1,700.00
MVMCC Operating Account	270,864.44
MVMCC Accounts Payable	579.63
Westamerica Bank - Capital Reserves	1,000,000.00
Westamerica Bank - Long Term Reserves	2,178,773.42
Westamerica Bank - Operating Reserves	250,000.00
Total	<u><u>\$3,701,917.49</u></u>

### Current Year Activity

	<u>Current Period</u>	<u>Year to Date</u>
Income	277,386.04	2,019,335.91
Operating Costs	131,331.12	833,325.95
Project Costs	51,107.94	277,013.73
Other Costs	20,565.89	164,576.71
Net	<u><u>\$74,381.09</u></u>	<u><u>\$744,419.52</u></u>

### Bank of Marin Loan Payments

Principal	37,288.02	297,465.53
Interest (included above)	16,976.34	136,649.35
Total Debt Service	<u><u>54,264.36</u></u>	<u><u>434,114.88</u></u>

Debt Service Coverage Ratio - Year to Date 2.73

### Management Notes / Updates

None.



THE CITY OF  
NOVATO  
CALIFORNIA

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Novato, CA 94945  
(415) 899-8900  
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[www.novato.org](http://www.novato.org)

## STAFF REPORT

### MEETING

DATE: March 31, 2015

TO: City Council

FROM: Cathy Capriola, Assistant City Manager

PRESENTER: Cathy Capriola, Assistant City Manager  
Matt Greenberg, Park Manager

SUBJECT: **MID-YEAR BUDGET UPDATE AND APPROVAL OF CAPITAL BUDGET ADJUSTMENT**

### REQUEST

Consider 1.) Receiving an update report from Frei Real Estate Services on the mid-year budget for MVMCC and 2.) Approving the following minor budget adjustments to the FY 14/15 MVMCC Capital Improvement Program budget due to an unforeseen capital need to fund improvements to the detection and cathodic protection system within the gas utility system which results in no net increase to the capital budget:

1. Decrease the New Ballroom Floor from \$50,000 to \$40,000.
2. Increase the Gas Utility Capital line item from zero to \$10,000.

### RECOMMENDATION

Receive report and approve budget adjustments.

### DISCUSSION

Each year, Frei Real Estate provides a Mid-Year Budget Report and delivers a written memorandum to the PAC and the City. Attached is a copy of this report. Mr. Frei reports that there is the need for a realignment within the Capital Budget due to an unforeseen capital need within the gas utility system. The budget adjustments outlined below will not result in an increase to the capital budget.

MVMCC has a cathodic protection system to protect underground utility pipes from corroding due to electrolysis. After review, there is a need to replace a worn out rectifier and anode bed for a total cost estimated at \$9,400. Additional background regarding this system and need are outlined in the attached Mid-Year Budget Report. Management is recommending that the funding for this unanticipated capital expense be taken from the Ballroom Floor line item which will not be undertaken this year.

## **FISCAL IMPACT**

There is funding within the current capital budget to absorb this unforeseen gas utility system need. There is no increase to the capital budget if this budget adjustment is approved.

## **ATTACHMENTS**

1. January 26, 2015 Mid-Year Budget Review – FY 6/30/2015 Memorandum from Al Frei

# FREI REAL ESTATE SERVICES

8340 AUBURN BLVD. • SUITE 100 • CITRUS HEIGHTS, CA 95610 • (916) 722-8110 • FAX (916) 722-8111

DATE: January 26, 2015  
 TO: City of Novato  
 Park Acquisition Corporation  
 FROM: Al Frei  
 RE: Marin Valley Mobile Country Club  
 Mid Year Budget Review – FY 6/30/15

## Summary

Our mid-year budget review ending 12/31/14 shows a total deviation of 15.06% under-budget in operating costs (middle of page 4).

## Significant Budget Deviations

### Expenses

- Wages-Office Manager – Jane has continued to work extra hours in order to allow Matt additional time to resolving Park issues.
- Garbage – A greater than expected rate increase along with additional temporary bins which were brought in for Park cleanup/brush clearing.
- Fire Abatement – A considerable amount of brush clearing has been necessary around the Park to meet fire department requirements.
- Pool Supplies & Equipment – The Park installed a chemical control system and hired a pool company to monitor the pool and spa chemical levels.
- Trees - Several dead or leaning trees that were in danger of causing property damage were removed.
- Licenses & Permits - The most expensive fee, HCD annual permit (\$4,383) has already been paid.

## RECOMMENDATIONS:

### OPERATING BUDGET

While a few specific expense items (listed above) have costs exceeding the budgeted amount, no category has exceeded its budgeted amount. Management recommends no revision to the operating budget.

### CAPITAL PLAN

#### Major Completed Projects:

- Asphalt driveways and cul-de-sacs
- Marin View Drive
- Club View Drive
- Emergency Generator

Retaining Walls at:

39 Scenic Drive  
120 Sunrise Lane  
13 Fallen Leaf Drive  
36 Marin Valley Drive

Slopes/Drains/V-Ditches at:

12 Fallen Leaf Drive  
128 Panorama Drive  
184 Marin Valley Drive  
48 Club View Drive  
41 Club View Drive  
19 Marin View Drive

Projects in Process or Upcoming Projects:

Asphalt Repairs/Crack Fills  
Clubhouse Shades & Awnings  
Clubhouse Exterior Paint/Carpentry  
Clubhouse Flat Roof/Beams  
Retaining Walls at:  
106 Panorama Drive  
17 Club View Drive  
Gas Shut Off Valve

**RECOMMENDATIONS:**

**CAPITAL BUDGET**

The park has a cathodic protection system to protect underground utility pipes from corroding due to electrolysis. There are three anode beds (see attached description) in the Park. One at 134 Sunrise between 134 & 31 Club View, one at 3 Marin Valley Drive, and one at 47 Marin Valley Drive (see attached map). Jarsco Utilities Inc., the company who performs our annual gas leak detection and cathodic protection system survey identified a worn out rectifier and anode bed at space 47. The cost to replace both is \$9,400. This is a capital plan expense that was not anticipated this year.

Management's recommendation is to reduce the \$50,000 budget for ballroom floor replacement scheduled for this year by \$9,400, move the \$9,400 to the utility item, and move out the ballroom floor to 2015/2016 since it will not be done until all handicap modifications in the clubhouse are completed.



Marin Valley Mobile Country Club  
Mid Year Budget Review  
as of 12/31/14

ACCOUNT	DESCRIPTION	Trial Balance	Reverse Prior Year	Payables/Adjustments	Adjusted Balance	Year to Date Budget	Difference	Percent
		12/31/2014	6/30/2014	12/31/2014	12/31/2014	12/31/2014		
41100	MOBILE HOME SPACE RENT	1,158,593			1,158,593	1,158,593	0	
41300	LATE FEES	550			550	420	130	
41400	LAUNDRY	480			480	600	(120)	
41500	MANAGERS MOBILE HOME RENT	6,228			6,228	6,228	-	
41700	VEHICLE PARKING FEES	5,780			5,780	5,400	380	
	<b>TOTAL RENT INCOME</b>	<b>1,171,631</b>			<b>1,171,631</b>	<b>1,171,241</b>	<b>390</b>	<b>0.03%</b>
42100	CABLE TV	47,918	(8,051)	7,809	47,676	50,052	(2,377)	
42200	ELECTRIC	77,017	(14,657)	15,099	77,459	87,336	(9,876)	
42300	GARBAGE	51,875			51,875	49,632	2,243	
42400	GAS	33,597	(7,033)	18,979	45,543	72,472	(26,929)	
42500	SEWER	100,473			100,473	107,100	(6,627)	
	<b>TOTAL UTILITY INCOME</b>	<b>310,880</b>	<b>(29,741)</b>	<b>41,887</b>	<b>323,026</b>	<b>366,592</b>	<b>(43,565)</b>	<b>-11.88%</b>
	<b>TOTAL RENT/UTILITIES</b>	<b>1,482,511</b>	<b>(29,741)</b>	<b>41,887</b>	<b>1,494,657</b>	<b>1,537,832</b>	<b>(43,175)</b>	<b>-2.81%</b>
43100	INTEREST INCOME	-			-	-	-	
43200	INVESTMENT INCOME	-			-	5,750	(5,750)	
43300	OTHER INCOME	75			75	-	75	
	<b>TOTAL OTHER INCOME</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>5,750</b>	<b>(5,675)</b>	<b>-98.70%</b>
	<b>TOTAL PROJECT REVENUE</b>	<b>1,482,586</b>	<b>(29,741)</b>	<b>41,887</b>	<b>1,494,732</b>	<b>1,543,582</b>	<b>(48,850)</b>	<b>-3.16%</b>

Marin Valley Mobile Country Club  
Mid Year Budget Review  
as of 12/31/14

ACCOUNT	DESCRIPTION	Trial Balance 12/31/2014	Reverse Prior Year 6/30/2014	Payables/Adjustments 12/31/2014	Adjusted Balance 12/31/2014	Year to Date Budget 12/31/2014	Difference	Percent
50050	WAGES-PARK MANAGER	25,109	(2,083)	2,083	25,109	35,000	(9,891)	
50100	WAGES-BOOKKEEPER	10,444	(875)	954	10,524	9,360	1,164	
50150	WAGES-MAINTENANCE MANAGER	15,199	(1,258)	1,258	15,199	15,090	109	
50200	WAGES-ASST. MAINTENANCE	11,419	(943)	943	11,419	11,310	109	
50500	TRAVEL	-			-	300	(300)	
50400	MAINT STAFF MOBILEHOME RENT	6,228			6,228	6,228	-	
51100	P/R TAXES	5,487	(456)	775	5,807	7,000	(1,193)	
51200	INSURANCE - HEALTH	4,380	(365)	365	4,380	4,380	-	
51300	INSURANCE - WORKERS COMP	9,891	(709)	843	10,025	10,750	(725)	
	<b>TOTAL EMPLOYEE COSTS</b>	<b>88,160</b>	<b>(6,687)</b>	<b>7,220</b>	<b>88,692</b>	<b>99,418</b>	<b>(10,726)</b>	<b>-10.79%</b>
52100	CABLE TV	78,992			78,992	81,208	(2,216)	
52200	ELECTRIC	69,952	(13,851)		56,101	85,555	(29,454)	
52300	GARBAGE	60,669			60,669	52,298	8,371	
52400	GAS	17,021	(1,320)		15,701	56,589	(40,889)	
52500	SEWER	101,903			101,903	107,100	(5,198)	
52700	WATER	37,148			37,148	44,161	(7,014)	
	<b>TOTAL UTILITIES</b>	<b>365,683</b>	<b>(15,170)</b>	<b>-</b>	<b>350,513</b>	<b>426,912</b>	<b>(76,399)</b>	<b>-17.90%</b>
53100	CONCRETE MAINTENANCE	-			-	327	(327)	
53200	FIRE ABATEMENT	28,952	(5,500)		23,452	4,875	18,577	



Marin Valley Mobile Country Club  
Mid Year Budget Review  
as of 12/31/14

ACCOUNT	DESCRIPTION	Trial Balance 12/31/2014	Reverse Prior Year 6/30/2014	Payables/Adjustments 12/31/2014	Adjusted Balance 12/31/2014	Year to Date Budget 12/31/2014	Difference	Percent
53300	LANDSCAPE MAINTENANCE	5,590	(880)	880	5,590	11,700	(6,110)	
53400	MANAGER HOME REPAIRS	-			-	500	(500)	
53500	OPERATING SUPPLIES & EQUIP.	1,511			1,511	2,400	(889)	
53600	POOL SUPPLIES & EQUIPMENT	10,080			10,080	2,100	7,980	
53700	REPAIRS & MAINTENANCE	11,697	(708)	155	11,144	22,500	(11,356)	
54000	SYSTEM MAINTENANCE - GAS	1,890			1,890	10,625	(8,735)	
54030	SYSTEM MAINTENANCE-ELECTRIC	3,794	(1,285)	467	2,976	12,250	(9,274)	
54050	SYSTEM MAINT - GENERATOR	1,144		979	2,123	2,600	(477)	
54100	SYSTEM MAINT - SEWER	5,746	(605)		5,141	13,200	(8,060)	
54200	SYSTEM MAINT - WATER	-			-	390	(390)	
54300	TOOL & EQUIPMENT REPAIR	-			-	1,000	(1,000)	
54400	TREES	45,020		6,460	51,480	25,000	26,480	
54500	UNIFORMS	81			81	150	(69)	
54600	UTILITY MAINTENANCE	-			-	1,560	(1,560)	
54700	VEHICLE MAINTENANCE	1,058			1,058	1,500	(442)	
54800	CONTINGENCY	-			-	4,000	(4,000)	
	<b>TOTAL REPAIRS &amp; MAINTENANCE</b>	<b>116,564</b>	<b>(8,979)</b>	<b>8,941</b>	<b>116,526</b>	<b>116,677</b>	<b>(151)</b>	<b>-0.13%</b>
55100	ADVERTISING & PROMOTION	-			-	300	(300)	
55200	BANK CHARGES	248			248	550	(302)	
55400	COMPUTER & COPY SUPPLIES	267			267	900	(633)	
55500	DUES & SUBSCRIPTIONS	-			-	150	(150)	
55600	EDUCATION & SEMINARS	914	(158)		756	1,250	(494)	



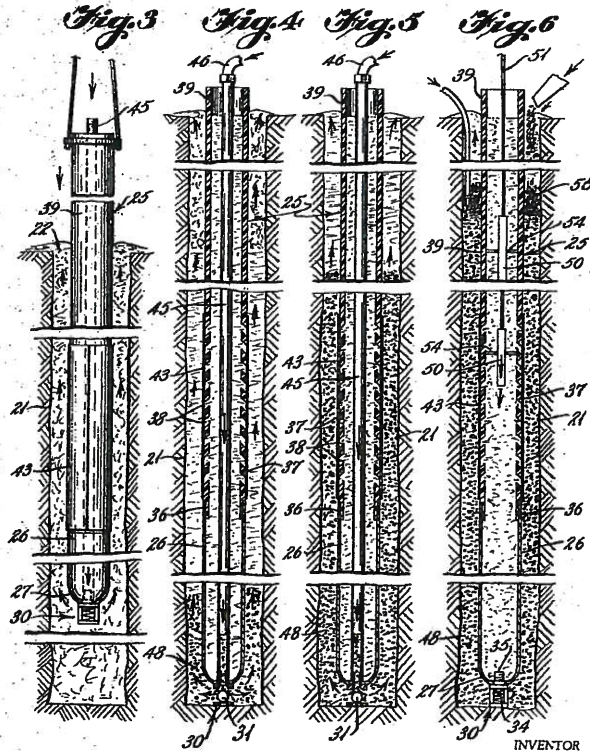
Marin Valley Mobile Country Club  
Mid Year Budget Review  
as of 12/31/14

ACCOUNT	DESCRIPTION	Trial Balance 12/31/2014	Reverse Prior Year 6/30/2014	Payables/Adjustments 12/31/2014	Adjusted Balance 12/31/2014	Year to Date Budget 12/31/2014	Difference	Percent
55700	LEGAL	851	(713)	138	276	10,000	(9,724)	
55800	LICENSES & PERMITS	4,499			4,499	3,200	1,299	
56100	OFFICE SUPPLIES & EQUIPMENT	3,626			3,626	3,600	26	
56200	OTHER EXPENSES	-			-	1,502	(1,502)	
56300	OUTSIDE SERVICES	4,485			4,485	7,500	(3,015)	
56600	TELEPHONE	4,164	(609)	309	3,864	3,510	354	
	<b>TOTAL OFFICE &amp; ADMINISTRATION</b>	<b>19,053</b>	<b>(1,480)</b>	<b>447</b>	<b>18,021</b>	<b>32,462</b>	<b>(14,441)</b>	<b>-44.49%</b>
	<b>TOTAL OPERATING COSTS</b>	<b>589,459</b>	<b>(32,316)</b>	<b>16,609</b>	<b>573,752</b>	<b>675,469</b>	<b>(101,717)</b>	<b>-15.06%</b>
57200	IN-LIEU OF TAX FEES - NOVATO	35,490			35,490	35,490	-	
57220	RESIDENT HUMANITARIAN SERVICE	2,500			2,500	6,000	(3,500)	
57300	INSURANCE-PROPERTY & LIABILITY	26,825			26,825	42,000	(15,175)	
57350	INSURANCE-MARVAL	7,917			7,917	3,625	4,292	
57600	MANAGEMENT FEES	29,290	(5,790)	4,700	28,200	28,200	-	
57700	CAPITAL EXPENSES	96,435			96,435	324,250	(227,815)	
	<b>TOTAL PROJECT FEES COSTS</b>	<b>198,457</b>	<b>(5,790)</b>	<b>4,700</b>	<b>197,367</b>	<b>439,565</b>	<b>(242,198)</b>	<b>-55.10%</b>
	<b>NET OPERATING INCOME</b>	<b>694,669</b>	<b>(67,847)</b>	<b>63,196</b>	<b>699,321</b>	<b>428,548</b>	<b>270,772</b>	<b>63.18%</b>
57750	AUDIT	-		5,100	5,100	2,600	2,500	
59900	MOBILE HOME RENT CONTROL FEE	18,900			18,900	9,450	9,450	



Marin Valley Mobile Country Club  
Mid Year Budget Review  
as of 12/31/14

ACCOUNT	DESCRIPTION	Trial Balance 12/31/2014	Reverse Prior Year 6/30/2014	Payables/Adjustments 12/31/2014	Adjusted Balance 12/31/2014	Year to Date Budget 12/31/2014	Difference	Percent
	TOTAL AUDIT/RENT CONTROL FEE	18,900	-	5,100	24,000	12,050	11,950	99.17%
62000	LOAN INTEREST EXPENSE	102,607			102,607	100,752	1,855	
61300	CITY OF NOVATO	-			-		-	
	<b>TOTAL INTEREST EXPENSE</b>	<b>102,607</b>	<b>-</b>	<b>-</b>	<b>102,607</b>	<b>100,752</b>	<b>1,855</b>	<b>1.84%</b>
71000	PAC EXPENSES	1,247			1,247	2,000	(753)	
72000	OWNER EXPENSES	-			-	12,500	(12,500)	
81000	PARK IMPROVEMENT	4,190			4,190	9,750	(5,560)	
	<b>TOTAL MISC EXPENSES</b>	<b>5,438</b>	<b>-</b>	<b>-</b>	<b>5,438</b>	<b>24,250</b>	<b>(18,812)</b>	<b>-77.58%</b>
	<b>NET</b>	<b>567,725</b>	<b>(67,847)</b>	<b>68,296</b>	<b>567,276</b>	<b>291,496</b>	<b>275,780</b>	<b>94.61%</b>



INVENTOR  
*Joe F. Tatum*

BY *G. J. ...*  
ATTORNEYS

For pipelines, anodes are arranged in groundbeds either distributed or in a deep vertical hole depending on several design and field condition factors including current distribution requirements.

**Rectifier:**

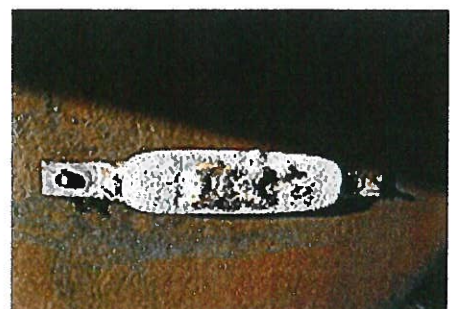
Cathodic protection transformer-rectifier units are often custom manufactured and equipped with a variety of features, including remote monitoring and control, integral current interrupters and various type of electrical enclosures. The output DC negative terminal is connected to the structure to be protected by the cathodic protection system.<sup>[14]</sup> The rectifier output DC positive cable is connected to the anodes. The AC power cable is connected to the rectifier input terminals

The construction of cathodic anode beds involves burying a magnesium or zinc anode in the soil and connecting it to a pipeline by welding the copper wire running from the anode to the surface of the pipeline. A pipeline may have as few as one, or many anodes connected to it. The sole purpose for installing an anode bed is that it controls corrosion of an existing pipeline.

I.E. Cathodic protection: **Cathodic Protection (CP)** is a technique used to control the corrosion of a metal surface by making it the cathode of an electrochemical cell.<sup>[1]</sup> A simple method of protection connects protected metal to a more easily corroded "sacrificial metal" to act as the anode. The sacrificial metal then corrodes instead of the protected metal. For structures such as long pipelines, where passive galvanic cathodic protection is not adequate, an external DC electrical power source is used to provide sufficient current.

**I.E. Rectifier**

Cathodic protection systems protect a wide range of metallic structures in various environments. Common applications are: steel pipelines. Another common application is in galvanized steel, in which a sacrificial zinc protects them from rust. I.E. **Anode Bed. Corroded anode below**





rectifier in power down



MARIN VALLEY PARK



**STAFF REPORT**

E - 4



THE CITY OF  
NOVATO  
CALIFORNIA

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MEETING

DATE: March 31, 2015

TO: City Council

FROM: Julian Skinner, Engineering Manager  
Tony Williams, Senior Civil Engineer

SUBJECT: **FY 14/15 BUDGET – UPDATE ON LONG TERM INFRASTRUCTURE  
CAPITAL IMPROVEMENT PROJECTS**

**REQUEST**

Consider receiving an update on FY 14/15 MVMCC Long Term Infrastructure Capital Improvement Projects.

**RECOMMENDATION**

Receive update.

**DISCUSSION**

The FY 14/15 MVMCC Long Term Infrastructure Capital Improvement budget includes three projects and a total funding allocation of \$350,000 as tabulated below. This staff report provides an update on each of these projects.

<b>Project Name</b>	<b>14/15 Funding Allocation</b>
Sanitary Sewer Pump Stations Phase 1 Upgrade	\$60,000
Slope Stability Improvements Phase 1	\$185,000
ADA Clubhouse Improvements Phase 1	\$105,000
Total Funding	\$350,000

**Sanitary Sewer Pump Stations - Phase 1 Upgrade**

The two MVMCC sanitary sewer pump stations are nearing the end of their usable life as detailed in the 2012 Property Conditions Report. \$60,000 was budgeted in FY 14/15 to address anticipated maintenance and compliance needs to help prolong the life of the stations until sufficient reserve funding is available for their replacement. Staff has been working with a consultant to implement improvements that would bring the stations into regulatory compliance as well as develop emergency operations capabilities in the interim. It is anticipated that these improvements will be completed by October 2015 at a total cost of \$40,000 which includes the ongoing consultant work.

**Slope Stability Improvements - Phase 1**

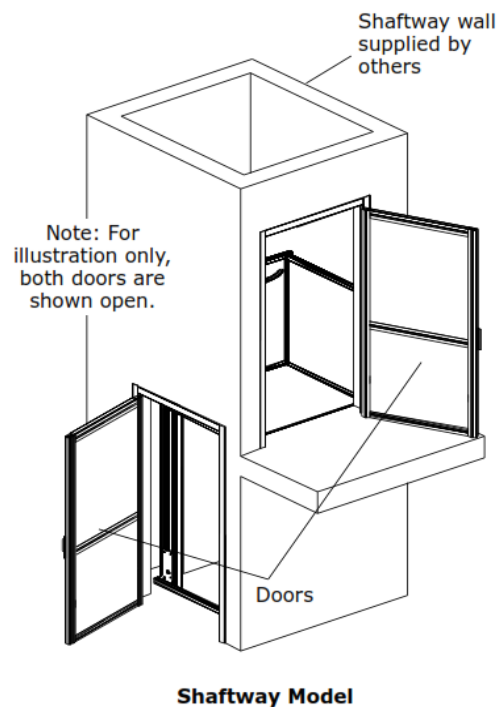
Staff contracted with Miller Pacific Engineering Group (MPEG) to investigate, prepare repair options and ultimately design improvements for the first phase of slope repairs at the park. The



first phase of their work included an overview of all the identified sites to make sure the priorities identified with the 2011 work were still valid. With this verification MPEG next performed detailed geotechnical investigations at the three priority sites including drilling into the hillsides to ascertain parameters for varying repair strategies. The result of the investigation yielded viable less costly repair options as compared with those estimated during the 2011 work. As a result, design work is progressing on repairs at all three sites, with an estimated total project cost of \$100,000. The repairs are expected to be undertaken in summer of this year.

### ADA Clubhouse Improvements - Phase 1

While the sewer pump station and slope stability projects are projected to be under-budget, the ADA Clubhouse Improvements are projected to be over the estimated budget. Senior Engineer Tony Williams has been working with Sally Swanson Architects and a selection of interested park staff and residents to work through the various options for improving ADA access to the lower levels of the clubhouse. The best option appears to be a combination of a vertical platform lift (basically a stripped down elevator that has limited load) to connect the main two clubhouse levels, and a second, cheaper lift to connect the lower level to the sunken game room. The photo and illustration below provide a depiction of the type of vertical lift proposed between the main floors.



The lifts would be installed in phases: the first phase would include a new lift from the main floor to the lower floor; and the second phase would include a lift from the lower floor to the game room. The estimated total project cost for the two 'lifts' is \$300,000 inclusive of contingencies and engineering. The phase 1 costs are expected to be \$240,000. Design work on the lifts has not started but is planned for this fiscal year.

While City staff believes that these lifts are an important improvement for the Clubhouse to ensure access and ease of use for all levels of the facility, it is appropriate to discuss the timetable for when these lifts should be installed. City staff would like to review this updated information with

the PAC during the preparation of the FY 15/16 budget process. Staff anticipates returning to Council with updated information during the June MVMCC budget meeting.

**FISCAL IMPACT**

The FY 14/15 CIP budget allocated \$350,000 to the three subject projects. Anticipated cost savings on the sewer pump station project and the slope stability project along with a delay on the ADA lift project will likely result in a total 14/15 expenditure of \$170,000.

<b>Project Name</b>	<b>14/15 Approved</b>	<b>14/15 (Projected)</b>	<b>Total Phase (Projected)</b>
Sanitary Sewer Pump Stations Phase 1 Upgrade	\$60,000	\$40,000	\$40,000
Slope Stability Improvements Phase 1	\$185,000	\$100,000	\$100,000
ADA Clubhouse Improvements Phase 1	\$105,000	\$30,000	\$300,000*
<b>Total Funding</b>	<b>\$350,000</b>	<b>\$170,000</b>	<b>\$440,000*</b>

*\*Includes anticipated 15/16 allocation.*

The projected FY 14/15 expenditures will include for completion of the sewer pump station and phase 1 slope stability projects, and completion of the construction documents for the ADA lift project. Construction of the ADA lifts could be included in the proposed 15/16 CIP budget depending on overall budget priorities that will be discussed as part of the budget preparation for the FY 15/16 MVMCC budget.

**ATTACHMENTS**

None



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**STAFF REPORT**

MEETING

DATE: March 31, 2015

TO: City Council

FROM: Veronica Nebb, Assistant City Attorney  
Tony Williams, Senior Civil Engineer

PRESENTER: Veronica Nebb, Assistant City Attorney  
Tony Williams, Senior Civil Engineer

SUBJECT: **UPDATE ON THE CITY’S INITIAL APPLICATION FOR THE  
*MOBILEHOME PARK UTILITY UPGRADE PROGRAM FOR GAS &  
ELECTRIC SERVICES***

**REQUEST**

Consider receiving information regarding the City’s initial application for the *Mobilehome Park Utility Upgrade Program* for Gas & Electric Services to the California Public Utilities Commission to convert MVMCC from a master-meter gas & electric services to direct service with PG&E with new gas and electric infrastructure.

**RECOMMENDATION**

Receive information.

**DISCUSSION**

As Council is aware, the Marin Valley Mobile Country Club, like most mobile parks, receives its electricity and natural gas through a master-metered service from PG&E and all infrastructure is privately owned and maintained by the City as owner of the park. The infrastructure delivering this service is aging and extremely expensive to replace. This was identified with the Park’s long term infrastructure study and is planned to be funded from reserves that are being built through savings on an annual basis.

Currently, California utilities provide electric and gas service to a single master meter at many mobile home parks in the various service areas — about 1,400 in PG&E’s area alone. The gas and electric utility lines, services, and individual meters beyond the master meter are the responsibility of the mobile home park owners, who may not have the resources or expertise to maintain them properly.

On March 13, 2014, the California Public Utility Commission established a three-year pilot program authorizing each California investor-owned utility to convert 10% of master-metered gas

and/or electric mobilehome park spaces within its operating territory to direct utility service. The pilot program is referred to as the *Mobilehome Park Utility Upgrade Program* and more information is available at this page of the [CPUC's web site](#).

The voluntary pilot program will aim to replace existing mobilehome park gas and electric facilities with new direct utility service to about 10 percent of all spaces in these communities; for PG&E this means about 10,000 individual homes. If the pilot proves successful, the Commission may order a full-scale conversion of all master-metered MHP services to the utilities. Through this program, PG&E will replace the current aging infrastructure and provide services directly to park residents creating a safer and more reliable service and effectively relieving the great majority of the costs to replace the infrastructure. The cost of converting Mobile Home Park's gas and electric service to PG&E will be included in distribution rates paid by all distribution customers within PG&E's service areas. However, the impact is expected to be barely noticeable — a rate increase of less than 0.1 percent in 2015.

Selection of the pilot participants will be made by the commission's safety and enforcement division and the state's Housing and Community Development (HCD), based on safety and reliability needs, from among those park owners who apply within a 90-day window starting Jan. 1, 2015. The City of Novato has submitted an initial application expressing our interest in this pilot program for MVMCC. Engineering staff and the Assistant City Attorney actively talked to PG&E staff to understand the points system by which applications are being evaluated. Many thanks to Tony Williams, Julian Skinner and Veronica Nebb for their work on this project during the months of December and January.

Once the CPUC and the HCD complete their selection and prioritization, notifications will sent between mid-May and July 2015 to the selected MHP owners. If selected, the City would have to enter into a formal agreement with PG&E and submit an additional application for the planning and engineering phase of the program. Depending on the total number of parks selected, actual construction could begin within a short period of time or within two years after selection.

Clearly, this is a great opportunity to reduce the costs some of the major utilities and to transfer the ongoing maintenance of that system to PG&E which will reduce operating costs. However, since this is a pilot program the implementation details are still being developed. If we are selected, we will return to the City Council to discuss the details and any additional requirements.

It is also important to mention that it is highly possible that the City may want to accelerate the rest of the infrastructure improvements at the same time (water, waste water, telephone and cable television) in order to ensure that all infrastructure improvements are coordinated, planned and implemented at the same time. Obviously, this would be ahead of our current infrastructure timeline. Fortunately, there is already funding in the MVMCC Capital Improvement Budget for an engineering consultant to initiate the infrastructure planning study. At this time, we are moving forward to select the consultant, but holding off on initiating the final scope of work until we understand if we are included in the PG&E pilot program in order to closely align these efforts. [As a side note, the current sewer district boundary will also be reviewed by the Local Agency Formation Commission in 2016. This is another area of research and analysis as part of the infrastructure study.]

### **FISCAL IMPACT**

None at this time.

**ATTACHMENTS**

None

**STAFF REPORT**

E-6



THE CITY OF  
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MEETING

DATE: March 31, 2015

TO: City Council

FROM: Cathy Capriola, Assistant City Manager  
Matt Greenberg, MVMCC Park Manager  
Dave Jeffries, Emergency Services Coordinator

PRESENTER: Cathy Capriola, Assistant City Manager  
Matt Greenberg, MVMCC Park Manager  
Dave Jeffries, Emergency Services Coordinator

SUBJECT: **UPDATE ON EMERGENCY PREPAREDNESS INITIATIVES**

**REQUEST**

Consider receiving information regarding a number of emergency preparedness initiatives that are underway at MVMCC.

**RECOMMENDATION**

Receive information.

**DISCUSSION**

The South Napa earthquake occurred in and around the City of Napa on August 24, 2014 measuring at 6.0 on the moment magnitude scale. The event was the largest in the San Francisco Bay Area since the 1989 Loma Prieta earthquake. Significant damage and several fires were reported in the southern Napa Valley area, and there was also damage in the nearby cities of Vallejo, American Canyon and Sonoma. The Napa earthquake was a reminder and reinforcement of the importance of emergency planning by individual residents, businesses and local governments. Below is an update on several efforts underway regarding emergency preparedness initiatives at MVMCC.

Emergency Preparedness Plan

The owner or operator of a mobilehome park is required by the State of California to do the following: adopt an emergency preparedness plan, (2) post notice of the emergency preparedness plan in the park clubhouse or in another conspicuous area within the park, (3) provide notice on how to access the emergency plan and individual emergency preparedness information from state or local agencies, and (4) the Plan must be approved by the State Housing and Community Development Department. Based on these requirements, the City and Frei Property Management has responsibility for the emergency plan. MVMCC has had a very basic Emergency Preparedness Plan which is quite dated and needs updating.

In addition, the Marin Valley Emergency Services Team (MVEST) has been busy drafting an emergency plan to outline how these volunteers would organize themselves in an extreme emergency when public safety resources are stretched thin responding the numerous incidents across the city. The MVEST team has also worked with the Novato Fire Protection District and the Novato Police Department for various trainings, handouts and resources for residents, a recent evacuation drill, and an upcoming "Disaster Preparedness Fair" at the end of April.

The City's Emergency Services Coordinator, contractor Dave Jeffries, is working on updating a series of Emergency Services Plans for MVMCC, including working with MVEST to incorporate their operational ideas within a broader set of emergency documents for MVMCC. Discussions and work are still underway, but we are hopeful to bring forward documents for Council's consideration at the June MVMCC meeting.

#### Gas Shut-off Valves & Other Gas/Meter Devices

There has been much discussion about how to improve the ease of shutting off gas during an earthquake and how to mitigate gas lines being broken to reduce the likelihood that gas escapes and potentially creates a fire. City staff and onsite Park Manager, Matt Greenberg, have been investigating various options including gas supply flex lines and excess flow valve. While a simple question on its face, there are many different approaches, costs and opinions regarding effectiveness of these tools.

In addition, Mr. Greenberg has been reviewing the condition of the shut-off valves at each residence. The service shut off valve has historically required a wrench or tool to shut off the gas service for a specific unit. Of the 169 units that are not on a sectional gas shut off, an option is to upgrade and replace the existing valves. Many of the existing valves are a two-part antiquated valve that requires loosening one side then tightening the opposite side to shut off the gas. When the first side is loose, it releases gas into the environment. The smell of gas when the valve is open can be disconcerting and confusing. Also, some existing valves are also too close to the ground and many residents can't get on one knee or bend that far to reach the valves.

Frei Management has researched replacements valves. Some of these units would need a pipe extension to raise the height of the new valves to make them more user friendly and code compliant at 10" above grade. For those units on the sectional gas shut off, Frei Management recommends replacement of these as well for consistency and ease of use, but these would be done after the first group. From preliminary conversations, Mr. Greenberg estimates that replacing all the service shut-off valves in the Park could cost between \$25,000 and \$45,000.

More research and analysis needs to be done. Staff is recommending that further discussions and research occur over the next few months. Also, if MVMCC is included in the *Mobilehome Park Utility Upgrade Program* for gas & electric services, then PG&E would be replacing all of the meters at that time. Depending on the timeline for PG&E replacement of the gas and electricity infrastructure, including the meters, we might want to wait for PG&E to replace the meters with that project and include any other upgrades or enhancements at that time. One option is to place some funding in the FY 15/16 Capital Improvement budget for these type of investments and then determine specifics over the next few months and early into the next fiscal year. There will be more information available at that time.

#### **FISCAL IMPACT**

The fiscal impact is still to be determined based on the final decision.

**ATTACHMENTS**

None



**STAFF REPORT**

E-7



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MEETING

DATE: March 31, 2015

TO: City Council

FROM: Veronica Nebb, Assistant City Attorney  
Tony Williams, Senior Civil Engineer

PRESENTER: Veronica Nebb, Assistant City Attorney  
Tony Williams, Senior Civil Engineer

SUBJECT: **UPDATE ON PG&E EASEMENT FOR GAS LINE MAINTENANCE AT  
TOP OF VIEW RIDGE**

**REQUEST**

Consider receiving an update regarding gas line maintenance on a PG&E easement at View Ridge and a number of property changes that were negotiated on behalf of the affected residents.

**RECOMMENDATION**

Receive information.

**DISCUSSION**

PG&E has embarked on a comprehensive Pipeline Right-of-Way project along PG&E gas mains. This project is referred to by PG&E as the Pipeline Pathways Project. Phase 1 of this PG&E initiative is focused on removal of structures which PG&E has determined have been constructed in the PG&E easement on private or public property. Phase 2 is focused on removal of vegetation and trees which PG&E has determined are located in a PG&E easement and which interfere or have the potential to interfere with the operation and maintenance of PG&E utility lines. PG&E states that this is a safety project; however, it appears that PG&E's operational need is to be able to easily inspect and maintain these gas lines with an open view corridor for inspection and maintenance purposes (including aerial inspection).

As part of PG&E's statewide project to create a clear view and remove anything from their easement, the City was informed in spring 2014 that three resident's lots at the top of View Ridge Drive could be impacted and require structural modifications. Initially, PG&E was working with only the residents at MVMCC directly. City staff stepped in to ensure that the City's rights and the residents' interests were being protected. PG&E provided an initial survey that needed more specific information in order to understand options, potentially reduce impacts at the three lots and to be sure to set the stage for discussion as they relate to Phase 2 of PG&E's project. The City hired a survey firm to map where the easement and gas line were in addition to the actual location of the MVMCC boundaries, individual lot lines, and the actual residence and structures.

With this information, City staff worked with PG&E and each resident to explore options. After extensive discussions with PG&E to protect the interests of the residents and the City as property owner, a final resolution has been agreed upon. A carport and front office will need to be relocated at PG&E's costs at 21 View Ridge. The final agreed upon configuration, preserved trees and vegetation that the homeowner wished to preserve and provided a new carport of an acceptable size in an acceptable location. At 24 View Ridge, there were no changes required. At 22 View Ridge, a car port will be relocated to meet the needs of PG&E and the owner of the mobilehome (which is currently vacant) with a minimum amount of negative impact to the adjoining neighbor. Based on discussions and advocacy by the City, the impacts were reduced and compromises were secured for these lots. City staff is appreciative of PG&E's willingness to accommodate the interests and needs for these affected residents.

The gas line and 30 foot easement at MVMCC has been in place since the 1960s. It is likely that the City will be approached again as PG&E begins to implement Phase 2 (relating to vegetation in the easement over their pipelines). This, Phase 2 of the Pipeline Pathways Project, is already occurring in Contra Costa County. Many public agencies there are pushing back based on original Phase 2 requirements to take out hundreds of trees in open space and along right-of-ways near these gas lines. PG&E has responded by slowing down the process in Contra Costa County and engaging the local jurisdictions in a process to evaluate the vegetation removal on a more informed basis. It appears that this revised approach has resulted in some success in reducing the amount of vegetation proposed for removal by PG&E. We will keep you informed if the City or property manager is approached in the future regarding Phase 2.

### **FISCAL IMPACT**

There were costs of the survey (\$3,740) and staff time associated with this effort. The exact costs have not be totaled at this time.

### **ATTACHMENTS**

None



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**STAFF REPORT**

MEETING  
DATE:

TO: City Council

FROM: Cathy Capriola, Assistant City Manager  
Brian Cochran, Finance Manager

PRESENTER: Cathy Capriola, Assistant City Manager  
Brian Cochran, Finance Manager

SUBJECT: **PROCESS UPDATE ON MVMCC FY 15/16 BUDGET AND LONG  
RANGE FINANCIAL PLAN**

**REQUEST**

Consider receiving an update on the process for the upcoming FY 15/16 MVMCC budget and update of the Long Range Financial Plan.

**RECOMMENDATION**

Receive update.

**DISCUSSION**

Section 9 of the Management Agreement of the MVMCC document outlines the process and timeline for the annual budget preparation for MVMCC. As stated in the Management Agreement, it is the responsibility of the property manager, Frei Real Estate, to prepare and present a proposed budget to the PAC, residents and then the City.

By April 1, Frei Real Estate is required to submit a budget to the PAC and City. During the month of April, the PAC reviews the budget at their noticed meetings and is encouraged to hold a special resident workshop on the budget in conjunction with Frei Real Estate. By May 1, after resident review, Frei Real Estate is required to submit a proposed budget to the City as the owner of the Park. The City Council has 45 days after May 1 to review and make any changes. The City Council will meet at MVMCC for its traditional June budget meeting on Monday, June 8<sup>th</sup>. If there are comments regarding the budget, residents and the PAC can express their perspective to the City Council at the June 8<sup>th</sup> meeting. Subsequent to the Council's approval of the MVMCC budget, then the PAC Board of Directors reviews the budget and approves the final budget.

As the operating and capital budget are developed, the City's Finance Manager, Brian Cochran and the City's Accounting Supervisor, Maureen Chapman, will be working with Frei Real Estate,

the City's engineering staff and the PAC budget sub-committee to update the Long Range Financial Plan that shows the funds for the operating budget, capital budget and what funds can be segmented into reserve funds for the major utility infrastructure projects that are in the Property Condition Reports. Staff will be sharing the updated Long Range Financial Plan with residents and the City Council at the June 8<sup>th</sup> meeting also. Obviously, the status of the City's application with PG&E is an important consideration and could dramatically change the strategy for the infrastructure projects which will require further updating of the Long Range Financial Plan.

### **FISCAL IMPACT**

This staff report outlines the process and is not about any specific funding recommendations.

### **ATTACHMENTS**

None