

NOVATO FINANCING AUTHORITY

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**BOARD OF DIRECTORS
REGULAR MEETING
Monday, June 21, 2010 - 10:00 A.M.
Marin Valley Mobile Country Club
FIRESIDE ROOM
100 Marin Valley Drive**

MINUTES

A. CALL TO ORDER 10:11 am

Board Members Tiernan and Lucan absent

B. APPROVAL OF FINAL AGENDA

C. PUBLIC COMMENT

Jim Olson – spent over \$600 for the NFA election for a single candidate. He asked NFA if it was possible for a simpler procedure when there is only one candidate.

D. CONSENT CALENDAR

D-1 Approval of Minutes from February 8, 2010 meeting.

Board Member Brown motions/Board Member Dole seconds.

All approved

E. NEW BUSINESS

E-1 Review and Approval of 2010-2011 Budget and Capital Plan including Waiver of Rent Increase.

Staff Member Capriola gave a short introduction about the 2010-2011 budget including a PAC proposal of no rent increase.

Mike Holland replied that this budget is not too dissimilar from past budgets. PAC is not asking for a rent increase because of adequate revenues. The revenues are sufficient to cover annual maintenance, bond payments and capital budget. PAC is asking for a modest increase in humanitarian fund. It is administered by Frei Property Management. Senior debt ratio is 1.25 for next fiscal year.

Staff Member Capriola clarified that no rent increase will require the approval of the Redevelopment Agency. Staff Member Nebb added documents require a minimum 75% of CPI increase and anything less that the NFA action would be contingent on RDA approval. Board Member MacLeamy asked if the action was needed by a certain date and staff responded there was not.

Public Comment

Mike Holland had a quick memo clarification of the memo prepared by Staff Member Wong. The \$550,000 contribution goes into the capital project line item and not the reserves.

Board Member Brown motions to approve the budget as submitted with waiver of rent increase conditioned on RDA approval.

Board Member Dole seconds.

All approved.

Board Member Brown motions to accept the budget as submitted and if the RDA does not approve the rent increase waiver, the minimum rent adjustment will be placed in the capital plan as amended by Al Frei.

Board Member Dole seconds.

All approved.

E-2 Information and Provide Staff Direction for Delegation Agreement

Staff Member Nebb gave a short summary of the Delegation Agreement. It delegates the day-to-day operations from the Owner (NFA) to PAC. PAC has then entered into a Management Agreement with Al Frei for the everyday management. As part of the Delegation Agreement, the negotiation period to negotiate various aspects of the Agreement starts on October 1 and ends January 31. If no agreement is reached by January 31, the NFA replaces the PAC and takes over the day-to-day management of the park.

Board Member MacLeamy stated that today is to provide direction based on timeline in staff report. Staff Member Capriola explained that today is overview of the process. August 23 will be a workshop to solicit public input of Delegation Agreement. NFA will listen to the comments but no make decisions will be made. The regularly scheduled

October meeting will provide direction to staff about negotiations. The January meeting will be to take action on the Delegation Agreement. Staff recommends two members of the Board form an ad-hoc committee, for communication and consultation. Board Member MacLeamy stated when in negotiation, primary staff members would be Staff Members Nebb and Capriola. They would negotiate with PAC representatives. There is no urgency to select the NFA members at this meeting. August 23 could be a morning or evening session depending on public input. Council Member Dole asked if the agreement itself is subject to FSA or RDA approval. Staff Member Nebb responded no but the revised agreement will be sent to FSA.

Public Comment

Maureen Mason – She is concerned that people in the park are not comfortable in speaking in public. Can people comment on the Agreement via email or other correspondence? She wants to make sure that everyone is comfortable in being able to comment on the Delegation Agreement.

Nate Sherman – In the negotiation, will the price of the park be negotiated? Staff Member Nebb clarified this negotiation does not have anything to do with the price of the park, just the management of the park.

Board Member MacLeamy asked Mike Holland what time of day would work best for the meeting. He responded either may work but not sure about neighbors. Staff Member Nebb suggested an early evening/late afternoon meeting. Most people at this meeting can make the evening meeting.

Board Member MacLeamy stated that this was more to provide direction to staff about the process. Should the meeting be 6:00 or 6:30 pm?

F. OLD BUSINESS

F-1 Status of \$28,000 FSA request and \$130,000 RDA Pledge Account Request

Staff Member Capriola gave a quick update with both requests. FSA has not responded yet, but staff does not anticipate any issues but to expedite the request. If pushed for a more timeline decision, then the NFA would need to pay the FSA a fee. Hopefully, they will respond in the next fiscal year. There is a placeholder in the next fiscal year budget for the FSA request.

The \$130,000 Pledge account was approved by the Redevelopment Agency and the funds will be available for next fiscal year. Staff Member Lauchner will be finalizing the details to minimize transfer costs.

Public Comment

Mike Holland – He wants to make sure not to run into any issues during the transfer. The resolution stated that the funds would be transferred to the capital account and Staff Member Lauchner had mentioned transferring it into the Owner account. Will that be any issue? Staff Member Capriola responded that this is a transactional issue and staff understands the RDA intent to transfer funds to the capital improvements account.

G. GENERAL BUSINESS

G-1 Bucket Analysis for Period Ending March 31, 2010

Staff Member Capriola summarized bucket analysis figures.

There was no public comment.

G-2 Park Management Update: Al Frei

He did not have anything additional to report. Next fiscal year, they will start exploring what to do with east wall and deck repair. Those are the main projects. Deck repairs is out to bid. They just signed contracts for retaining walls. There is more asphalt work. All these are in the capital plan.

Board Member MacLeamy asked before. This is largest facility have you done a seismic study done on the facility? When built, 1969. Board Member MacLeamy asked if it was appropriate to consider a seismic analysis to bring up to day with overall structural integrity. Al Frei replied that one has not been done. Board Member MacLeamy responded that since the clubhouse is an emergency facility, they should inquire about the cost of doing a study. There appeared to be general consensus of the Board about this request.

G-3 Update from PAC: Michael Holland

Not much of an update. Mike Read is the new PAC member. There is the new budget with an emphasis on capital reserves. Our intent to go low as required in terms of rent increase that is allowed into the indefinite future.

Board Member MacLeamy asked that since there are still some unknowns, are you confident that there are enough in reserves to cover those expenses? Mike Holland responded that they are working towards reserves of \$1-1.5 million. It is a balance between current versus future residents.

H. BOARD/STAFF COMMENTS

H-1: Confirm next meeting date: August 23, 2010

It will be an early evening meeting to accommodate all comments. Correspondence can also be sent to the City Housing Coordinator, Tim Wong.

Bob Lemon – He has lived here for over 9 years and active. He is moving to Portland, OR. He commented that this situation is completely unique and one of the most protected parks in the state. NFA, PAC and AF have managed and protected the park. He will miss the activities here at MVMCC.

Patrick Wheatley – special pub night for Bob and his wife Tuesday, 7/2 at 5 pm and NFA is invited.

ADJOURN 10:54 am

DRAFT