

NOVATO FINANCING AUTHORITY

75 Rowland Way #200, Novato, CA 94945-5054
415/899-8900 • FAX 415/899-8213

BOARD OF DIRECTORS

REGULAR MEETING

Wednesday, October 13, 2010 – 6:30 P.M.
Marin Valley Mobile Country Club, 100 Marin Valley Drive

MINUTES

Board Members Present: Chair Jeanne MacLeamy
Vice Chair Phil Brown
Board Member Don Dole
Board Member Eric Lucan
Board Member Peter Tiernan

Also Present: Cathy Capriola, Secretary/Treasurer
Deborah Lauchner, Finance Manager
Veronica Nebb, Finance Authority General Counsel
Tim Wong, Housing Coordinator

A. Call to Order

B. Approval of Final Agenda

Board Member Tiernan moves/Board Member Lucan seconds. Passed 5-0.

C. Public Comment

D. Consent Calendar

D-1: Approve Minutes of June 21, 2010 and August 23, 2010

Board Member MacLeamy has some minor changes to the June 21, 2010 minutes.

Board Member Dole motions and Board Member Brown seconds to approve the minutes with changes. June 21, 2010 minutes passed 3-0 (Board Members Tiernan and Lucan abstain), August 23, minutes passed 5-0.

E. Old Business

E-1: Report on Redevelopment Agency Approval of No Rent Increase for MVMCC Residents for FY 10/11 at July 27, 2010 Meeting.

Staff Member Capriola gave a brief presentation. NFA supported the no rent increase from PAC. The request required approval from the Redevelopment Agency. The RDA approved the request on July 27, 2010 and has been communicated to the FSA. Board Member Tiernan asked if there was anything else required of the Board. The answer is no.

Public Comment

Michael Holland said that when PAC initially made the recommendation, they were not sure of CPI but the increase was a little more than estimated. It would have been \$6-\$9 per month but now the rent increase is zero based on the Board Action.

- E-2: Report on Approval from Financial Security Firm to Transfer \$28,000 from the Cash Trap to the Capital Replacement Reserve.

Staff Member Lauchner gave a short presentation. FSA approved the request from transferring the funds from the Senior Cash Trap to the Capital Fund. The \$28,000 was a result of paying off the subordinate bonds and additional \$28,000 cash flow will be used on capital projects.

F. New Business

- F-1: 10-Year Physical Needs Reserve Analysis – Consider and authorize/require budget amendment to appropriate up to \$25,000 as a Transfer from the Senior Cashtrap Account for the preparation of Property Condition Analyses and Report(s) with the approval of Financial Security Firm (Attachment)

Staff Member Capriola gave a brief presentation. In reviewing the Delegation Agreement documents, the Management Agreement requires a Physical Needs analysis be done in 2007. Staff is still having conversations on the formal scope of the study. The consulting firm will be hired by FSA and make sure the scope includes all infrastructure to be able to use the study for Capital planning. The recommendation is to approve up to \$25,000. The \$25,000 will cover the scope to be ready to prepare the plan and hopefully move forward with the study prior to the next Board meeting. Board Member Lucan asked how was the \$25,000 figure determined? Staff member Capriola responded that it is a placeholder, but staff knew it would be more than \$5,000. Typical studies seem to cost about \$25,000 but it may be less. She added if it is more than \$25k, staff will bring it back to Board in January. Board Member Lucan asked if the final amount become public. Staff Member Capriola explained that the way the agreement is written, FSA is initiating the study and NFA dictates the scope. Board Member MacLeamy asked if staff was discussing with Mr. Frei? Staff member Capriola responded that they have had preliminary discussions so far with some initial comments. Board Member MacLeamy commented that they may need a contingency.

Public Comment

Michael Holland asked why the study was not done in 2007. He asked if this a budget

amendment that required PAC approval. Staff Member Lauchner responded yes. Staff Member Nebb added that FSA will dictate when it will occur; it is not discretionary. As a formal matter, PAC should amend the budget. Mr. Holland's greater concern is that Al Frei is involved. He hopes to get a fairly detailed 10 year capital plan out of this.

Ray Schneider asked if the \$25,000 will come from the Senior Cash Trap. He continues asking what guarantee do we have that it will not come out of a line item or budget. Staff Member Lauchner responded that it is not a line item now and FSA has already approved the funds being taken out of the Senior Cash Trap.

Board Member Brown motioned/Board Member Dole seconded to authorize the budget amendment. Passed 5-0.

- F-2: Delegation Agreement Negotiation – Consider and possibly take action to:
1. Appoint Chairperson MacLeamy and one other NFA Board Member to serve in an ad-hoc capacity to advise staff in negotiations as necessary;
 2. Consider public comments received to date;
 3. Direct the NFA staff to negotiate with PAC sub-committee on the Delegation Agreement and Management Agreement to return by mid-January with recommendations to NFA Board;
 4. Provide direction to NFA staff regarding negotiation on broad issues and interests; and,
 5. Direct staff to send copy of 10/13 Staff Report and Minutes to Financial Security firm and to communicate on proposed changes to the Delegation Agreement/Management Agreement during the negotiation process.

Staff Member Capriola gave a presentation about the Delegation Agreement negotiation process. Up to this point, it has been a process to gain input from the residents including the 8/23 workshop. Staff recommends that future meetings will have 2 NFA staff privately negotiating with the PAC. Staff also recommends an ad-hoc NFA committee that staff can discuss for direction. The sub-committee can only be two Board members because Brown Act requirements would apply if there were three members.

Staff Member Nebb suggested that the Board go through the recommendations for Board consideration and take separate action on the items.

1. Recommend forming an ad hoc to consult with NFA on occasion. If there is an impasse, that issue will be taken back to the full NFA Board.
2. Public Comments – In the staff report, staff has summarized the themes that have come out from the public input process.
3. Direct staff to negotiate Delegation Agreement and Management Agreement. Some requirements in the Delegation Agreement and Management Agreement are linked and need to be negotiated simultaneously.

4. Direct staff with broad items.
5. Direct staff to send staff report and minutes to FSA and following process. FSA has the right to review and approve so to keep them in the loop.

Board Member Tiernan commented that it was a well written report and excellent to put on table all the issues.

Public Comment

Mike Holland Read and submitted comments. Addressed the issues of the elections, vilification, posted meetings, the take over of HOL and MarVal. He believes that the staff perspective based on resident comment represents about 8% of the residents in MVMCC. What do the other 92% of the residents think? Staff has made recommendations based on small group of resident's input.

Jim Harais He asked about the involvement of Al Frei in the negotiation. Mr. Frei and PAC perspectives will differ.

Peggy Hill Reminded everyone the two PAC members were elected to represent all the residents.

Ray Schneider Submitted materials. One thing that stood out was the operation of the park needed to be separate from issues of ownership. Operator needs to treat each resident equally. Focus solely on budget, repair. Ownership cannot treat each resident equally because of the disparity of opinions. PAC board is filled by appointment and past elections has been about ownership and very little about operation. If separated, a good portion will be mitigated. PAC would continue to operate but change name like Park Operating Corporation (POC) and ownership would receive another name. PAC would negotiate DA and under bylaws but ownership would be removed from bylaws. No POC member could serve on the other committee. Separate operations from ownership.

Close of Public Comment

Staff Member Nebb summarized the recommendations outlined below.

1. Appoint Chairperson MacLeamy and one other NFA Board Member to serve in an ad-hoc capacity to advise staff in negotiations as necessary.

Board Member MacLeamy nominated Board Member Dole. Board Member Lucan nominated Board Member MacLeamy and Board Member Dole and second by Board Member Brown. All approved.

2. Consider public comments received to date.

No action needed. Submitted material will be included in the comments.

3. Direct the NFA staff to negotiate with PAC sub-committee on the Delegation Agreement and Management Agreement to return by mid-January with recommendations to NFA Board.

The Board also requested to include Mr. Frei and his input as part of the process and to return in mid-January for recommendations. If there are any impasses, a meeting would be scheduled prior to January. Board Member MacLeamy added if the meeting was convened, it will be a public meeting. Board Member asked Mr. Frei if he agreed to assist and Mr. Frei answered in the affirmative.

Board Member Tiernan motioned and Board Member Dole seconded. All approved.

4. Provide direction to NFA staff regarding negotiation on broad issues and interests.

NFA can add any themes not listed in the staff reports.

Board Member Tiernan commented that for full implementation of the Brown Act is a little extreme for a resident park. Staff member Nebb replied that staff will look at certain aspects and if there is any Brown Act impasse, staff will bring back to the NFA. If Brown Act requirements are agreed upon, there will be training. PAC is already adhering to the Brown Act for the past 3-4 months and will work with them. Board Member Tiernan added that Brown Act noticing and agenda is fine, but it is very difficult to adhere to all aspects of the Brown Act. Staff member Nebb stated that it is a question of training. Staff will balance it out and if impasse, the issue will return to the NFA. Board Member MacLeamy commented that the Brown Act is difficult but does provide for transparent government.

Board Member Tiernan motioned agreeing with the broad interest and issues and provide direction. Board Member Brown seconded. All approved.

5. Direct staff to send copy of 10/13 Staff Report and Minutes to Financial Security firm and to communicate on proposed changes to the Delegation Agreement/Management Agreement during the negotiation process.

Board Member MacLeamy asked if FSA was responsive or not? Staff answered that with new staff there, they will be more responsive.

Board Member Tiernan motioned to send a copy of the October 13 staff report to FSA. Board Member Dole seconded. All approved.

Mike Holland asked if NFA staff would be scheduling the negotiation meeting dates. Staff responded affirmatively.

G. General Business

G-1: Presentation of Bucket Analysis for Periods Ending June 30, 2010 (Attachment)

Staff Member Lauchner gave a short presentation. September statement will be done at next meeting.

G-2: PAC Update: Michael Holland

Peggy Hill is our newest and returned PAC member with the resignation with David Harrington. She will fulfill the last 9 months of the David Harrington's term. Because of the work done, PAC has \$158,000 additional for capital improvements.

G-3: Park Management Update: Al Frei

He has taken an interest in the candid comments from residents and is looking forward to revising the Management Agreement. MVMCC is coming together as a community. As for projects, there was an unplanned V-ditch job on Fallen Leaf. Rear deck of the Hall will be done and in November, the pool deck was improved. Asphalt work on Fallen Leaf. Seismic report has been done. East wall and seismic study so will expand the east wall job somewhat. The remodel work of the women's restroom has been completed.

Board Member MacLeamy acknowledged with appreciation the work of the MVMCC staff, Shirley and Jane.

H. Board/Staff Comments

H-1: Confirm Next Meeting Date: January 18, 2011 unless there is a prior meeting.

Board Member Lucan asked if it was going to be a day or evening meeting. Staff plans on a day meeting

I. Adjournment 7:45 p.m.