

**MINUTES OF CITY COUNCIL MEETING
MARIN VALLEY MOBILE COUNTRY CLUB
100 MARIN VALLEY DRIVE
FRIDAY, OCTOBER 28, 2011 - 9:00 AM**

A. CALL TO ORDER – 9:07 a.m.

ROLL CALL

Mayor Kellner
Mayor Pro Tem Athas
Councilmember Eklund
Councilmember MacLeamy
Absent: Councilmember Dillon-Knutson

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

B. APPROVAL OF FINAL AGENDA

*Councilmember Eklund moved, Seconded by Mayor Pro Tem Athas, to approve the Final Agenda. **The motion carried.** Mayor Kellner, Mayor Pro Tem Athas, Councilmember Eklund, and Councilmember MacLeamy voted yes. Councilmember Dillon-Knutson was absent.*

C. PUBLIC COMMENT

1. Owen Haxton, speaking for himself, as he is no longer an officer
2. Eileen Cedron, stated she was sorry Councilmember Dillon-Knutson was not present, as she wanted to thank for her efforts on behalf of seniors. She referred to a citizen flyer regarding agenda not being prepared by Council but by staff and said that she hoped that was not true. She concluded by stating that silent park vehicles cannot be heard by residents and that accident prevention should be studied.
3. Mike Read, referred to an IJ article read which stated that tenants should own the park and urged citizens to write to the Council.
4. David Harrington, commented that he had sent Councilmembers MacLeamy and Athas an email asking to meet with him on issues of concern and that he appreciated their accessibility.

D. CONSENT CALENDAR

D-1 Draft Minutes from June 6, 2011 meeting

E. REGULAR CALENDAR

- E-1 2.92% Consumer Price Index Percentage Change for Calendar Year 2011;
No Impact due to Prior Council Decision for No Rent Increase for 2012.

Assistant City Manager Capriola gave the staff report, stating that the PAC had requested no rent increase, and that was agreed to in the budget. She said that if that action had not been taken, the rent would have been increased for 2012. She reminded the public that Assured Guaranty would expect to see an increase next time.

PUBLIC COMMENT:

1. Owen Haxton, stated that he appreciated no increase. He requested that staff insure that, if there is an increase next year, it would from the current CPI, not from the first time there was no increase.
2. Mike Holland, thanked staff for helping impress on Assured Guaranty that a rent increase was unnecessary. He stated that Assured Guaranty's primary concern is themselves and that they have strong-armed residents out of \$200,000 for the changeover from NFA to Council, which will come out of the Park's budget. He said that the reason for the expected rent increase is to accumulate money for senior bonds and that the PAC thinks rent increases should be based on what the operating expenses are.

- E-2 Status Update on Property Condition Survey for MVMCC (Verbal Report)

Assistant City Manager Capriola provided the update, stating that the management agreement requires a physical needs reserve analysis (property condition report) every 10 years. She said this should have happened in 2007 but did not, so it needs to go forward now. She stated that they must assure that park infrastructure is being maintained. She reported that water, sewer, gas, electric and storm drain would be reviewed, but that an RFP put out for an engineering consultant received no responses. Therefore, she stated that the City's Public Works Department would do the review, contracting some segments out to small firms. She anticipated meeting Assured Guaranty's deadline and stated that the various reports prepared will provide the Council and residents with good information that will be reported back in January or February.

PUBLIC COMMENT:

1. Jim Hiraais, asked what the cost would be and if the residents would pay. He also stated that sewer costs have doubled in last few years and said that garbage service should come back to our community. Ms. Capriola stated that costs of \$75,000 were included in the capital budget and did come from park funds. Assistant City Attorney Nebb stated that regarding connecting to Novato Sanitary, the report can speak to how it might work, but the Park is within the boundary of Las Gallinas Sanitary and to change, an application would have to be filed with LAFCO.

Councilmember MacLeamy asked how the costs would be borne if the report reveals that improvements are needed, to which Ms. Capriola responded that the report will breakdown short and long term priorities which will be analyzed and planned for. She said that the information could be used to develop a 5 year capital plan, which would then be funded with park proceeds, and that once the report is complete, how to address the issues will be discussed.

Councilmember Eklund stated that she was glad infrastructure is being addressed and that the study should look at what the physical costs would be related to sewage and garbage/recycling services since Novato Sanitary has upgraded its equipment and pumping costs may be lower. She said that the Park does not get the curbside recycling services that Novato areas get, if they did, rates could be reduced.

PUBLIC COMMENT:

1. Mike Holland, stated that Marin Sanitary does offer pretty extensive recycling, yard waste and compost.
2. Owen Haxton, stated that sewage system in Hamilton did not have capacity for park to connect.

E-3 MVMCC in City's Wide Area Rapid Notification Phone System for Emergency Communications and Notice (Verbal Report)

Ms. Capriola provided an update on recent conversations regarding the notification system for use during situations where communication with all residents at once is needed. She stated that the City has a wide area notification system which can be used in case of emergency and that the Police Department had created a Marin Valley notification list, which could be used for communication in critical health emergency circumstances.

PUBLIC COMMENT:

1. Jim Hirais, stated that they are also creating a system within the Park and want to develop their own notification method for non-safety matters.

E-4 Update on Negotiations of Delegation Agreement and Management Agreement (Verbal Report)

Ms. Capriola gave an update on the Delegation Agreement, stating that it has been delayed and that staff resources were consumed by the Governor's actions regarding redevelopment. She recommended extending the agreement for three more months through the end of March 2012 and explained what actions had been taken so far. She said that conversations would be had with the PAC in November, after which it would be reviewed with Assured Guaranty and that in late January/early February, a resident meeting for review and input would be held before it finally went to Council. She said that a schedule for those meetings would be set up once the new Council is seated.

PUBLIC COMMENT:

1. Owen Haxton, stated that a requirement of the governing documents is that the Park be managed in such a way that the burden on local government is lessened. He said that considering performance under the delegation agreement over the past years, this project has not created problems, that the financial record is exemplary and there are good relations with the management team. He concluded by stating that “we can take care of ourselves”.
2. Mike Holland, inquired as to when the PAC should approve the extension, to which Ms. Nebb replied that it should occur at the next meeting, prior to November 29, 2011.

F. GENERAL BUSINESS

F-1 Bucket Analysis for Period Ending September 30, 2011 (Staff Report)

Ms. Capriola welcomed and introduced new Finance Manager Brian Cochran and turned the presentation over to him. He stated that it had been five months since the last report which is meant to be a cash tracking tool for the Park. He stated that it looks through accounts, and shows what was spent, what was budgeted, what the balance is, and calculates what needs to be added to the senior cash trap account. He said that the current balance is \$1.7 million.

PUBLIC COMMENT:

1. Mike Holland, inquired whether the next sweep will occur in October of 2017. Ms. Capriola stated that she would need to check and that the money could be used for infrastructure improvements but was meant to be for emergencies.
2. Owen Haxton, stated that he had received the email message but that the bucket analysis was not attached. He inquired whether staff could include amount that is presently being held in the GIC account in Germany so residents can see the balance, which gets better interest than US Bank. Mr. Cochran stated that there is about \$3.6 million among three accounts which is earning 6.4% on cash trap, 6.8% on reserve and 6.8% on capital. He said that this information can be added to report, along with the debt service ratio information.

AI Frei reported on projects being undertaken. He stated that a seismic retrofit was being done on the clubhouse east wall, that engineering plans have been received and have gone out to bid. He anticipated completion by year end, with the rest of the building to be done in phases.

He reported that the asphalt work was being done on a seven year cycle to cul-de-sacs, some roadways and parking in front of the clubhouse.

He reported on a recent utility billing event, where 84 residents experienced high rates unexpectedly and it was thought there had been an error. He provided background on how utility billing works at the Park stating that a billing service is used as it would be too complicated for the Park to do itself due to strict PUC regulations. He explained how the meter reading was done and all the levels of control that are in place to avoid errors in billing. At length, he stated that an analysis had been done looking for abnormalities and to explain the high usage but that no wrong readings or malfunctions had been found. He concluded by stating that the irregularity was likely attributable to temperatures during the billing cycle which were unusually low and that they would continue to follow best practices with three levels of safeguarding.

Councilmember Eklund asked about net metering and whether rates tiered like PG&E's are, to which Mr. Frei responded that the rates were based in usage. To a question about the age of the meters, he replied that 10% of meters are traded out each year to get recalibrated or replaced on a regular cycle, and that there are no Smart Meters at the Park.

Councilmember Eklund also asked how we will handle the Park joining MEA and whether it will be an individual resident's decision. Ms. Nebb responded that to opt in or opt out is a single decision for the entire park, and that it has not yet been discussed whether PAC would want residents to vote on the matter. She also stated that the CPUC will be deciding on whether mobile home parks will continue to be master-metered or individually metered in the future and, if it decides to go toward individual metering, individual residents would have opt in/out rights.

PUBLIC COMMENT:

1. Mike Holland, inquired whether, if the Park does nothing, would they be opted-in, to which Ms. Nebb responded that they would.
2. Valerie Barbour, president of HOL, stated that HOL will monitor the CPUC decision and would report back.
3. Anneela Manning, asked whether, since there are 84 homes in the Park which are apparently very cold, there is any City program or retrofitting that can help residents fight the cold. Councilmember Eklund encouraged them to call PG&E who will do free audit to help reduce energy costs.
4. Jim Hirais, commented that electricity is purchased wholesale but residents get charged retail. He also stated that the Park gets paid back for single metering and those funds should be returned to the residents. Regarding the east wall, he stated that he would like to be able to close off light.

5. Eileen Cedron, refuted Mr. Frei's statement, and stated that the handheld reader failed, which she has documented. She contended that the explanation doesn't add up since only 84 out of 300 registered the higher usage.

In response to Mr. Hirais, Mr. Frei stated that, in master metered parks, residents are billed at residential rate and the Park is billed at a lower rate which is determined by the CPUC. He said that the revenue collected is higher than expenses since the Park maintains its own repairs. He responded to Ms. Cedron that, while he concurred that there was a handheld issue, the meters were manually re-read when the problem was discovered.

Mr. Frei also reported on a recent incident with a gas shutoff that lasted for three days and stated that, due to this incident, the vendor was changed to Jarsko. He said that the current vendor, Park Utilities, had offered a discount on an upgrade that is needed as an enticement to not change vendors, but a decision has not been made whether to proceed with that.

He concluded his report by describing recent communication enhancements, such as a resident email contact list to use for quick information blurbs. He encouraged everyone to be added to the list which he said will not be given out. He also stated that meetings will be held bi-monthly or quarterly with residents on specific issues, the next meeting being on November 13th.

Councilmember Eklund asked whether Ms. Cedron's meter had been changed, but Mr. Frei did not know. She also asked whether master metering is advantageous and wondered whether we should be advocating for it with the CPUC? Mr. Frei responded that it is unknown what the costs would be, and that it would be financial benefit to go through the utility rather than self-manage. He stated however that the cost to convert could be about \$750,000, and would be passed on to residents.

PUBLIC COMMENT:

1. Mike (last name indistinguishable), spoke regarding a trash dump near Hamilton Woods, stating that it affected the quality of life of those nearby, and asked whether someone could approach them to clean up the mess. Mayor Kellner responded that code enforcement would be notified.
2. Jim Hirais, regarding rate overage, stated that it doesn't help a low income person's bottom line. Regarding handheld device, he inquired how many times it had been broken. Mayor Kellner suggested he have a conversation on these issues with Mr. Frei.
3. Rick Oltman, thanked management for its service.
4. Mike Holland, stated that, regarding the trash problem, it had been handled before by the City and the process works.

F-3 PAC Update: Michael Holland

Mr. Holland gave his report, commenting on a revision needed in the draft minutes. He stated that in his comment about the budget, the phrases “nice to have” vs. “need to have” were reversed. He reported that the website had fallen into disuse, but that a new web administrator Anila Manning was going to update the site, making it relevant, timely and useful.

He stated that the title transfer, resident ownership/self-management issue is still out there, and that public and meetings with Councilmembers have been held. He said the PAC would like to see the topic agendized starting after first of year so open discussions can take place in public.

He also stated that there are many questions related to the refinancing issue such as whether they will either continue to pay Assured Guaranty \$150,000 or do something else and that they are feeling pressure that in twelve months, this will come up and we need to have a process in place.

PUBLIC COMMENT:

1. Rick Oltman, stated that, regarding refinancing, the City may run out the clock, and that if we do refinance the bonds, we lose ability of PAC to weigh in on the transfer. He said that he would like City to transfer responsibility of Park finances to taxpayers since it is referred to as a City asset. He asked why the 400 residents bear the sole burden to support this one, stated that reduced rents would help and wondered if it is fair that they continue to pay the full cost of the asset.

G. BOARD/STAFF COMMENTS

G-1: Determine next meeting dates for Delegation Agreement Negotiations
Regular meetings – January 2012 / May 2012 / October 2012

Ms. Capriola stated that these are general timelines but won't be confirmed until the new Council is seated. She said that on the delegation agreement, the City will be talking with Assured Guaranty in early 2012 and it will be on the January agenda. She said that there were sign-up sheets available if people are interested in being notified, and it would also be announced in the Our Town newsletter.

Ms. Nebb stated that, if Council has no objection, the minutes can be corrected as requested and the Council agreed.

Councilmember MacLeamy discussed the second-tier list and its function and how items are pulled off the list to be added to Council agenda. She stated that considering alternate forms of ownership will be agendized after first of year.

PUBLIC COMMENT:

1. Jim Hiraïs, stated that he emphasizes communication and civility and congratulated everyone.
2. Patrick Quigley, announced an upcoming Halloween party and invited Council to attend.

H. ADJOURNMENT 11:03 a.m.

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

Sheri Hartz, City Clerk