



THE CITY OF
NOVATO
CALIFORNIA

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www.novato.org

CITY COUNCIL SPECIAL MEETING
to be held at
MARIN VALLEY MOBILE COUNTRY CLUB
100 MARIN VALLEY DRIVE
JULY 9, 2012
6:30 PM
(DISCUSS ITEMS RELATED TO
MARIN VALLEY MOBILE COUNTRY CLUB)

Mayor
Denise Athas
Mayor Pro Tem
Pat Eklund
Councilmembers
Madeline Kellner
Eric Lucan
Jeanne MacLeamy

City Manager
Michael S. Frank

AGENDA

A. CALL TO ORDER

B. APPROVAL OF FINAL AGENDA

C. PUBLIC COMMENTS

D. CONSENT CALENDAR

1. DRAFT MINUTES OF MARCH 12, 2012
2. DRAFT MINUTES OF JUNE 4, 2012

NOTE: Minutes are being provided for informational purposes and will be formally approved at an upcoming regular meeting of the Council.

E. GENERAL BUSINESS

6:40 P.M. (*Time is approximate.*)

3. DIRECTION ON WHETHER TO CONSIDER OPTIONS FOR LONG TERM OWNERSHIP OF THE MARIN VALLEY MOBILE COUNTRY CLUB

Consider whether there is majority interest in discussing the alternatives and options for long term ownership of MVMCC, and, if so, direct staff to return with a work plan, budget and resident input process for this analysis and discussion.

Recommendation: Provide direction.

6:40 P.M. (Time is approximate.)

4. MVMCC REFINANCING PRELIMINARY RESULTS –
PRESENTATION BY PFM

Consider providing initial direction to staff regarding the preliminary refinancing results in order to finalize options for final decision at a subsequent meeting.

Recommendation: Provide direction.

7:00 P.M. (Time is approximate.)

F. BOARD/STAFF COMMENTS

5. Determine next meeting date.

7:15 P.M. (Time is approximate.)

G. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Sheri Hartz, certify that on July 5, 2012, I caused to be posted the agenda of the July 9, 2012 special meeting of the City Council of the City of Novato, California, on the City Community Service Board in the Police Department and on the City's website at www.cityofnovato.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
MARCH 12, 2012, 6:30 PM
MARIN VALLEY MOBILE COUNTRY CLUB
100 MARIN VALLEY DRIVE

A. CALL TO ORDER

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

Also present: Assistant City Manager Cathy Capriola, Finance Manager Brian Cochran, City Attorney Veronica Nebb, and Deputy City Clerk Vickie Gerber

B. APPROVAL OF FINAL AGENDA

Councilmember Kellner moved, Seconded by Mayor Pro Tem Eklund, to approve the Final Agenda. The motion was approved unanimously.

C. PUBLIC COMMENT

1. Mike Read, said that in the beginning residents agreed to raise their rents through the years and therefore the residents have spent an extra \$2.2 million in order to own the Park. He stated that no taxpayer dollars have been expended on the Park and he urged the Council to transfer the park to the residents.
2. Jack Brandon made a variety of comments and wanted to know why the Council had not discussed the issue of park ownership on the agenda. Mayor Athas clarified that Mr. Brandon was referring to the City Council's Second Tier List that would be reviewed at the City Council's April 10, 2012 Quarterly Agenda Planning Session when agenda items would be identified for placement on future agendas. Mayor Athas explained the Council process for adding work plan items to the City's initiatives.

D. CONSENT CALENDAR

None

E. GENERAL BUSINESS

1. COUNCIL REVIEW AND TAKE ACTION ON DRAFT RENEGOTIATED DELEGATION AGREEMENT AND MANAGEMENT AGREEMENT

Consider reviewing and approving the draft renegotiated Delegation Agreement and Management Agreement with minor additional edits shown on Exhibit #1 of the staff report.

Assistant City Manager Capriola presented the staff report. She stated that this process started over 18 months ago and due to other priorities was put on hold a number of times. In the past four months, the negotiations process had started again with staff meeting with Mike Holland and Jim Olson on several occasions to review and finalize the two documents. Ms. Capriola expressed appreciation to Mr. Holland and Mr. Olson for their time and dedication to this process.

Ms. Capriola stated that on February 27, 2012, the City Council held a meeting at the park where a comprehensive overview had been provided to give residents better clarity of what the agreements meant. She stated that residents requested additional time and information on the agreements before Council took action. She reported that staff held a workshop on March 8th where the Delegation Agreement and Management Agreement were reviewed in detail with the 25 residents who attended the meeting. Ms. Capriola outlined the comments and feedback from the workshop and one area of clarification.

- o Workload of PAC -- There were several questions raised regarding additional workload on volunteer PAC Board Members based on changes to the Agreements. Staff responded by stating that though there are additional requirements (such as maintaining the web site, complying with the Brown Act, new purchasing procedures for Frei, ensuring personal property be inventoried, etc.), some of the items are required by State law while others are "best practices". Staff will be providing training and assistance to the PAC. Frei Real Estate's staff can also assist in some of these efforts.

Ms. Capriola reminded Council and residents that there will be a mini-review of the Delegation Agreement and Management Agreement in December of 2012 to see if anything was not working operationally and needed modification. Staff would also be meeting with a PAC sub-committee on a quarterly basis to enhance communication and touch base on operational issues.

- o Budget Questions -- There were other questions surrounding the budget process and what role each party plays in approving or denying rent increases.

- Role of Assured Guaranty -- There were also questions regarding the role of Assured Guaranty, communication with Assured Guaranty, and the Consent Fee that Assured Guaranty charged to transfer the Park last March.
- Elections -- There was one clarification point that arose in the workshop discussion regarding filling vacancies on the PAC Board. Staff thought that the language in the Delegation Agreement had been aligned with the PAC's current practice. However, this was not the case. Though the elections were discussed in depth, there was a misunderstanding. Ms. Capriola stated that staff continued to believe that the language in the Delegation Agreement was appropriate though it did not align with the PAC's current policy. Ms. Capriola stated that staff was not recommending any changes to Section 5.01(i) of the Delegation Agreement.
 - PAC's Policy -- The PAC's current policy was that if a member resigns within 6 months of the annual elections, the PAC will not fill their spot and will wait for the election. If a member resigns with more than 6 months left in their term, the PAC board will appoint someone to fill out the remainder of their term.
 - Delegation Agreement Language and Staff Recommendation (Section 5.01 (i) – highlighted in red below) – Staff's recommendation was that if there is a Board vacancy and more than 6 months left on the term, then the PAC Board cannot appoint, but must hold an election. Staff's interest was to have greater democracy with an election if a longer vacant term arose. The key difference between the two perspectives is the use of an election versus an appointment if a term has more than six months left.

PUBLIC COMMENTS:

3. Owen Haxton said the resolution and motion should not be approved because he thought there was a problem with the definition of ownership. He stated it would be prudent to obtain second legal opinions.
4. Jack Brandon said he thought the Delegation Agreement lacked tact and diplomacy. As an example, he stated that it was difficult for the resident volunteers responsible for the park website to send the owner minutes and other information within the required 48 hours after every meeting and indicated the workload was too much for them to handle.

5. Judy Bucci, said the previous speaker should have been present at prior meetings where things had proceeded in a very civil and helpful manner. She asked for staff to define the difference between title holder and owner.
6. Mike Read referred to documents, and read the language into the record to provide clarification for Park residents, “No Expenditures of Project funds shall be made unless provided for in the Budget and Capital Plan or approved in advance by Owner and Assured Guaranty; or as outlined more specifically in the Management Agreement” He also expressed his disagreement with the Delegation Agreement language that outlines the election parameters for the PAC which is a separate non-profit.
7. Peggy Hill, said it bothered her that the City was the owner of all the property at the Park, including items such as lighting and fixtures. She thought the residents should be called co-owners. She asked for clarification regarding items donated by residents to HOL or MARVAL.

Assistant City Manager Capriola responded to comments made by the residents and said although there were additional requirements, including maintaining the website, complying with the Brown Act, new purchasing procedures for Frei Real Estate, ensuring personal property had been inventoried, etc., some of the items were required by State law while others were “best practices.” She said that City staff and Frei Real Estate staff would be providing training and assistance to the PAC. In terms of the timeline to post on the web site within 48 hours, this time frame is based on when the minutes are ready, not 48 hours from the time of the meeting. Further, she said it was important to remember that a mini-review of the Delegation Agreement and Management Agreement would be done at the end of the year (December 2012) to see if anything needed to be modified. Staff would also be meeting with a PAC subcommittee quarterly to enhance communication and discuss operational issues.

Assistant City Attorney Nebb also replied to a number of questions made during the public comment period.

COUNCIL DISCUSSION

Council Member Lucan discussed the differences of opinion regarding the elections. He expressed concerns about the amount of work that PAC elections require of the volunteers and noted that staff’s recommendation would require another election. He suggested following PAC’s current practice but to have any one who is appointed by the PAC Board run for election in the next cycle.

PUBLIC COMMENTS:

8. Owen Haxton stated that he believed that the documents anticipate transferring the park to residents.

9. Ellen Schultz said she was questioning what the residents said about there being no change to the Novato Finance Authority and the City of Novato and that it would not affect a transfer. Assistant City Attorney Nebb clarified that the owner was the City of Novato, which used to be the Novato Finance Authority.
10. Valerie Barker commented further on Owen Haxton's comments.
11. Mike Read said that it was the PAC's current policy that if a board member resigns within six months of an annual election, the PAC would not fill the spot and would wait for an election. If a member resigned with more than six months left in their term, the PAC board would appoint someone to fill the remainder of the term.

Assistant City Attorney Nebb said it was staff's recommendation that if a Board vacancy had more than six months remaining on the term, then the PAC Board could not appoint, but must hold an election, with the difference being the use of an election versus an appointment.

Councilmember Kellner moved, Seconded by Mayor Pro Tem Eklund, to approve the final Delegation Agreement and Management Agreement, including the changes shown in Exhibit #1 of the staff report.

After Council held a question and answer session with staff regarding the process for filling vacancies on the PAC Board, *Councilmember Lucan moved, Seconded by Councilmember Kellner, to amend the main motion to change Section 5.01 (i) of the Delegation Agreement to read as follows with the intent to follow the PAC's current practice yet add a requirement for someone who is appointed to run for election at the next election cycle. The revised language is below.*

- Section 5.01(i) Delegation Agreement -- Notwithstanding any provisions of its By-Laws to the contrary, during the Term of this Agreement, PAC shall not act to appoint any individual to fill a vacancy for an unexpired term on the PAC Board of Directors in any instance where the unexpired term of the vacant seat is less than six (6) months at the time of the vacancy. In the event of an appointment, the appointed seat shall stand for election at the next regular election for the remainder of the original term. In no instance shall a majority of the members of the PAC Board be appointed. During the Term of this Agreement, PAC shall hold all elections to the PAC board in accordance with the elections guidelines approved by PAC and Owner as the same may be amended and approved by each from time to time.

The main motion was approved unanimously.

In addition, the Council voted unanimously to direct staff to execute the agreements.

*Mayor Pro Tem Eklund moved, seconded by Councilmember Kellner, to direct staff to provide any necessary training or administrative assistance to ensure any new provisions could be implemented by the PAC or Frei Real Estate Services. **The motion was approved unanimously.***

F. REGULAR REPORTS

None

G. BOARD/STAFF COMMENTS

None

H. ADJOURNMENT

The meeting was adjourned at 7:50 p.m.

DRAFT

MINUTES OF SPECIAL CITY COUNCIL MEETING
MARIN VALLEY MOBILE COUNTRY CLUB
100 MARIN VALLEY DRIVE
MONDAY, JUNE 4, 2012 – 6:30 P.M.

A. CALL TO ORDER

ROLL CALL

Mayor Athas
Mayor Pro Tem Eklund
Councilmember Kellner
Councilmember Lucan
Councilmember MacLeamy
Absent: None

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

B. APPROVAL OF FINAL AGENDA

*Mayor Pro Tem Eklund moved, Seconded by Councilmember MacLeamy, to approve the Final Agenda. **The motion carried unanimously.***

C. PUBLIC COMMENTS

None

D. CONSENT CALENDAR

1. ADOPT MINUTES OF FEBRUARY 27, 2012

*Mayor Pro Tem Eklund moved, Seconded by Councilmember Kellner, to approve the Consent Calendar, noting the amendment to the February 27, 2012 minutes as requested by Mayor Pro Tem Eklund, but declining to add a change requested by Mr. Owen Haxton. **The motion carried unanimously.***

E. GENERAL BUSINESS

2. UPDATE ON PROPERTY CONDITION REPORT AND STAFF'S RECOMMENDED STRATEGY MOVING FORWARD

Consider providing direction to staff regarding the updated information presented and the recommended strategy on how to proceed with capital investments

resulting from the Property Condition Report.

Senior Engineer Skinner gave staff report, providing updates on the Property Condition and what has been done since the last meeting. He said that a consultant's report stated that most facilities are in good condition although at the end of what would be a normal service life. He said that no significant replacement would be needed over the next ten years and that there would be a master study process undertaken within the next three years to determine what would happen after that.

Mr. Skinner reported that water services had been identified as the first that would need replacement, but since they were located in a trench with other utilities, it would not be practical to replace them alone. Instead, he said a master utilities replacement plan would be created to reduce disruption in the Park. He said there were numerous options for providers and configurations to inform the master plan process and narrow the options. He stated that the report identified some minor items for maintenance in the near term, including two pump stations and needed ADA improvements. He also reported on six currently active slide sites, one of which should be scheduled for slide repair/mitigation in the coming year.

Mayor Pro Tem Eklund asked whether work replacing pump stations now would be wasted if the system is switched to another provider, to which Mr. Skinner replied that the work was needed regardless of what direction was taken on a provider.

PUBLIC COMMENTS:

1. Owen Haxton, regarding the electrical system, asked about the condition of the secondary system, stating it had failed some months ago which was very disruptive. He also stated that the switchbox could be hit by a vehicle and asked whether it could be moved away from traffic.
2. Jim Olson, the new PAC president, asked about ADA improvements to the clubhouse, stating he believed that there were no problems and wondered if the work needing to be done was related to City ownership.
3. Jim Harais, stated it was not accurate to say that the secondary system did not need replacement and that must he need for 220 installations must be addressed.

In response to the questions from the public, Mr. Skinner stated that the secondary system probably needs to be replaced in nearer time frame, but not within the coming 10 years. Regarding the switch box, he said he was waiting to hear from the consultant. On the question about the 220 amp service, he said that whether upgrades were needed would be part of the next phase.

*Mayor Pro Tem Eklund moved, Seconded by Councilmember Kellner, to direct staff to go ahead with the master planning process. **The motion carried unanimously.***

3. APPROVAL OF FINANCIAL ADVISORY SERVICES CONTRACT WITH PUBLIC FINANCIAL MANAGEMENT

Authorize City Manager to enter into agreement with Public Financial

Management (PFM) for financial advisory services for the scope of work as outlined and augment the budget for FY 11/12 by \$8,000 for Phase 1 of the contract.

Assistant City Manager Capriola gave the staff report, stating that outside expertise was needed to ensure that the property remained in public use for the purpose of continued affordable housing, to assure use of the property in a manner that was in the best interests of the community, and to ensure continued compliance with all of the MVMCC loan documents. She summarized the scope of work for PFM which included confirming the key financial requirements associated with the 1997 Bonds and review of the 1997 Bond transaction documents; gaining an understanding of the Park's financial condition, the projected credit ratings that could be achieved on a refunding transaction, and evaluation of the potential interest rates on the refunding; and, based on those findings, prepare an analysis of the economics of refunding the 1997 Bonds.

Councilmember MacLeamy asked for clarification of whether the purpose of the study was to determine if refinancing was economically advantageous, to which Ms. Capriola responded affirmatively, adding that, if it was, whether there are preferred options.

PUBLIC COMMENTS:

4. Owen Haxton, asked for more information about the PFM company, such as who is the manager.

Sarah Hollenbeck, PFM, Senior Managing Consultant, stated that PFM was the largest financial advisory firm in country, and were ranked #1 in the U.S.

5. Rick Oltman, inquired whether would also be involved in the refinancing process as well.

Ms. Capriola responded that if we moved forward, PFM would assist us and be our advisor.

6. Mike Read, asked whether \$8,000 would be taken out of the capital fund, to which Ms. Capriola responded that the preference would be to not make the full transfer to avoid debt service coverage.

7. Jim Harais, objected to not having enough information and discussion.

*Councilmember Kellner moved, Seconded by Mayor Pro Tem Eklund, to approve entering into the agreement with PFM. **The motion carried unanimously.***

4. APPROVAL OF TRANSFER OF \$77,257.83 FROM THE SENIOR CASH TRAP TO PAY FOR FY 10/11 AND FY 11/12 UNBUDGETED MVMCC COSTS

Authorize staff to transfer of \$77,257.83 from the Senior Cash Trap to Pay for FY 10/11 and FY 11/12 costs that were not budgeted, with the concurrence of Assured Guaranty.

Assistant City Manager Capriola gave the staff report, stating that this was a clean-up item related to the transfer of park, recommending reimbursement of the City from senior cash trap in the amount of \$71,335.93 to pay for costs that were not budgeted. She stated that a revised staff report, showing that correct amount, had been distributed to Council that day.

*Councilmember MacLeamy moved, Seconded by Councilmember Kellner, for FY 2010-2011 only, to authorize the transfer of funds. **The motion carried unanimously.***

5. FY 12/13 BUDGET – OPERATING AND CAPITAL FOR MVMCC

Presentation and overview of the annual MVMCC budget. Review, accept input, and take action on the FY 12/13 Operating and Capital Budget for the Marin Valley Mobile Country Club.

Assistant City Manager Capriola gave the staff report, stating that Al Frei had prepared the budget, which was then reviewed by the PAC, Assured Guaranty and the City. She said that Assured Guaranty had agreed to no rent increase after communication with the City. She added that some minor modifications had been made, that excess revenues had been looked at and it was believed that allocations to the capital budget could be increased.

Councilmember Lucan asked if we refinance and Assured Guaranty is no longer involved, would rent increases be spelled out in future agreements, to which Assistant City Attorney Nebb responded that when the park was first purchased by NFA all of the costs exceeded the appraised value of park so the City pledged from RDA funds to backstop subordinate bonds and as a result, the requirement to increase rent was placed into the documents. She explained that as debt moved down and value up, documents anticipated that the obligation be removed. She concluded by stating that whether additional security might be desired by any future financing agent depends on the transaction and that, if value remained in excess of debt, it likely would not be an issue.

PUBLIC COMMENTS:

8. Rick Oltman, asked, regarding Ms. Nebb's response, what the estimated debt was.

Ms. Capriola responded that will be part of what we learn through working with PFM, and that pulling out money for desired projects may be an option.

9. Jim Olson, expressed his gratitude that there would be no rent increase, described some process concerns the PAC is experiencing, including that the PAC want more involvement earlier and asked that Council use reserves thoughtfully.

*Councilmember Lucan moved, Seconded by Councilmember MacLeamy, to approve the annual operating and capital budget for MVMCC. **The motion carried unanimously.***

6. CONSIDERATION OF PARTICIPATION FOR MARIN VALLEY MOBILE COUNTRY CLUB MASTER METER ACCOUNT IN THE MARIN ENERGY AUTHORITY'S MARIN CLEAN ENERGY PROGRAM

Consider whether or not to enroll the Marin Valley Mobile Country Club (MVMCC) master meter electric account in the Marin Energy Authority's Marin Clean Energy "Light Green" Program (Program) or temporarily opt-out of the Program and keep the account with Pacific Gas and Electric (PG&E) until such time as City has the opportunity to discuss and receive input from the Park community.

Assistant City Manager Capriola gave the staff report, explaining the options available. She stated that staff wanted to conduct a public process to help in making the decision, and there had not yet been sufficient time for that outreach process. She recommended staying with PG&E for the time being, and taking six to nine months to do research before coming back to make a decision.

Councilmember MacLeamy asked whether the Council had the ability to make this decision separately from other City facilities, to which Ms. Capriola responded affirmatively, stating that the choice would be made individually, meter by meter.

PUBLIC COMMENTS:

10. Kathy McMudie, inquired whether there would ever be SMART meters at the Park which she would oppose for health reasons, to which Ms. Capriola responded not in the near future and that would be considered if the Park moved away from a master meter.
11. Jay Shelfer, stated he supported delaying the decision and would like solar panels to be considered.
12. Owen Haxton, emphasized consideration of opinions of Park residents, which he appreciated.
13. Jim Harais, stated that a study had been done on installing solar panels on the clubhouse walls which was not financially practical at that time.

*Councilmember Kellner moved, Seconded by Mayor Pro Tem Eklund, to approve opting-out of Marin Clean Energy for the MVMCC master meter account at this time to enable the City to provide more information and engage in more outreach to the residents about MEA. **The motion carried unanimously.***

7. TRAFFIC CONTROLS AND ENFORCEMENT MARIN VALLEY MOBILE COUNTRY CLUB

Staff will present a proposal to improve traffic controls within the Marin Valley Mobile Country Club.

Mr. Skinner provided an update on MVMCC's request for the review of existing traffic controls within the Park. He said that the existing stop and speed limit installations were enforceable,

though they could be upgraded to meet current requirements, on an as needed basis. Regarding speed limits, he stated that there were basic speed laws governed by the State, which is what makes them enforceable. He stated that there is a 15 mile per hour category of speed limit meant specifically for mobile home parks, but that Council would need to adopt an ordinance to put that into effect. He said another option was to install warning signs which would be advisory but not enforceable and that staff was recommending that Council adopt speed limits for all roads within the community at its next MVMCC meeting.

Jim Olson, PAC President, stated that this issue has been present for over 10 years and that most of the problems involve speeding downhill and the stop signs on Marin Valley Drive. He wondered if there could be some Police Department assistance or enforcement and hoped that controls could be adopted only where needed.

Mayor Pro Tem Eklund asked whether there was current Police enforcement, and Ms. Capriola responded that there had not been but would be now that the speed limit sign had been installed on Marin Valley Drive. Mr. Skinner confirmed that no Council action was required to allow enforcement of posted speed limit.

Councilmember Lucan asked for confirmation that all the current stop signs are enforceable, which they were. Ms. Capriola stated that the intent of this item, which had expanded somewhat through the research process, was to lay out all options so that traffic could be looked at once, and the desired changes made.

Jim Olson, stated that the diagram included with packet showed current enforcement only down to first stop sign and wondered about the rest of Marin Valley Drive. He said it would have been preferable to have had all of the information ahead of time to discuss with residents and then develop PAC recommendations.

Mr. Skinner stated that, no matter what the posted speed limit was, a driver may not operate faster than what is prudent. Mayor Pro Tem Eklund inquired whether a police officer could cite someone for going through a stop sign within the Park, to which Mr. Skinner replied that they could.

Councilmember MacLeamy pointed out that there were 15 mph markings on the pavement, and Mr. Skinner said they were probably out of date and that he would check with Police. Councilmember MacLeamy continued that the PAC should talk to the residents to assure that they wanted reduced speed limits posted, knowing that they might be cited, and that plenty of warning should be given before enforcement begins.

PUBLIC COMMENTS:

14. Jim Harais, stated that speed limit signs, police patrols and a radar truck at the bottom of the hill had all helped and that the main problem was not residents but delivery trucks and non-residents.
15. Connie Marelich, stated she observes rampant running of stop signs, many of which are visually obstructed, and that delivery trucks are the big offenders.
16. Bill Davis, stated that everyone rolls through stop signs and that, since the Park's streets are

curvy, a 25 mph speed limit was excessive. He said that if we had power to reduce it to 15 mph, it should be done but that the police should not be brought out to ticket seniors.

17. Owen Haxton, stated he didn't believe that there was an enforcement problem and that the issue should be handled by management.

18. Kathryn McMudie, said that she was worried about safety.

Mayor Athas asked for confirmation that a speed limit under 25 mph was enforceable, to which Mr. Skinner replied that it was in a mobile home park, per the vehicle code, if a public hearing were held.

Mayor Pro Tem Eklund said that she appreciated the extensive research, even though it was more than what was asked for, but would want to get input from residents before any action was taken. She suggested holding off until the next meeting to give PAC and the residents time to respond.

Council discussion ensued as to appropriate next steps and it was agreed that action be delayed to allow resident input and to see if recent enforcement results in behavior changes around speeding. Ms. Capriola added that it would be advisable to have Police and Public Works representatives come speak to residents and to schedule this item on the October meeting agenda, to include a joint recommendation from PAC and City staff. Ms. Nebb suggested that a public hearing could be scheduled at that time so that action could be taken if desired.

PUBLIC COMMENTS:

19. Warren Edgar, stated his concern about the crowded parking and speeding along Marin Valley Drive, that someone senior might hit a child.

F. REGULAR REPORTS

8. MVMCC BUCKET ANALYSIS FOR THE PERIOD ENDING APRIL 30, 2012

Finance Manager Brian Cochran gave the staff report, explaining that the analysis reports available amounts in the fund and reports how they are distributed.

To a question from Mayor Pro Tem Eklund, Mr. Cochran explained that the Owner's Expense Account was not often used, and so built up a balance. Ms. Capriola added that the account was in the budget every year, and was used for staff costs, legal counsel and meeting expenses. She said that those costs fluctuate by year, depending on need, and that at the end of the year, the City receives repayment for what has been expended.

PUBLIC COMMENTS:

20. Rick Oltman, stated concern about money held in Europe, and asked whether consideration had been given to the volatility of the Euro. Mr. Cochran responded that these were guaranteed funds, but if there were a bank default, we would need to get a new guarantee. He said that the City is notified if banks are downgraded and, that if they are, they would have to post collateral.

21. Kathryn McMudie, was concerned that bank itself is in Europe, stating we should “get out of Dodge”. Mr. Cochran stated that PFM will be looking at other possibilities.

9. PARK MANAGEMENT UPDATE: AL FREI

Mr. Frei reported on the fire fuel reduction plan in the Park, being conducted in collaboration with the Fire District. He said it included weed and brush abatement, along with tree trimming, was 95% complete and had this year started in May due to the fire threat. He stated that the Fire District had been invited to review the plan so they could identify areas of concern, but no changes had been recommended.

He also stated that the seismic retrofit of the east wall had recently been completed, and that while there were many unforeseen issues with project, it stayed on budget.

10. UPDATE FROM PAC: JIM OLSON, NEW PAC PRESIDENT

New PAC President Jim Olson introduced the other new PAC Board members: Peggy Hill, Jay Schelfer, Larry Cohen and Jack Brandon. He stated that the next PAC meeting would be held on June 27, 2012.

G. BOARD/STAFF COMMENTS

11. Staff Updates
Delegation Agreement and Management Agreement – Location of final executed copies for reference by residents

Ms. Capriola provided a brief update, stating that the Delegation and Management Agreements are final and executed and available in several locations on the web.

12. Determine next meeting date – July 9, 2012
Financial Analysis on refinancing
Discussion to determine if the Council wants to add a “Discussion Regarding the Long Term Ownership of MVMCC” to the work plan for the City for FY 12/13.

Ms. Capriola suggested two location options for the next meeting - either at the Park on July 9 or at the Council Chambers on July 10th, which would be televised.

In response to Council questions, Ms. Capriola stated that the meeting would probably last about one and a half hours, and that the long term ownership of the Park and the refinancing would be discussed.

PUBLIC COMMENTS:

22. Kathryn McMudie, urged holding meeting at Park, stating that attendance would be greater.

23. Connie Marelich, requested that refinancing of the bonds and what the options are for long term ownership be discussed.
24. Rick Oltman, supported holding the meeting at the Park and clarified that the conversation was about long term ownership, not transfer.
25. Anila Manning, supported holding the meeting at the Park.
26. Jack Brandon, asked for clarification of why decision could not be made at this meeting, to which Ms. Capriola responded that it had not been properly agendized and that we wanted to make sure there was enough notice.
27. Owen Haxton, asked whether Council was planning to meet with residents to find out what they want to do about ownership, stating most of them have an idea of what should occur, but don't know how or have the money to do it.

Mayor Athas responded that would happen at the next meeting. Ms. Nebb clarified what would happen at the next meeting, stating Council would answer the question of whether this discussion would be opened, and if so, what the work program for staff would look like. She said that the decision would be made at subsequent hearing with full information having been provided.

Council concurred that the meeting should be held on Monday, July 9, 2012, at the MVMCC Clubhouse.

Mayor Pro Tem Eklund asked if a better idea of the process would be given at the July 9th meeting so that adequate public involvement can be ensured, to which Ms. Capriola responded that it was anticipated that Council would ask for an outreach process, that the approach will be multi-faceted and that staff will be looking for feedback.

H. ADJOURNMENT

The meeting was adjourned at 8:30 p.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



E-3

STAFF REPORT

MEETING

DATE: July 9, 2012

TO: City Council

FROM: Cathy Capriola, Assistant City Manager
Veronica Nebb, Assistant City Attorney

PRESENTER: Cathy Capriola, Assistant City Manager

SUBJECT: DIRECTION ON WHETHER TO CONSIDER OPTIONS FOR LONG TERM OWNERSHIP OF THE MARIN VALLEY MOBILE COUNTRY CLUB

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REQUEST

Consider whether there is majority interest in discussing the alternatives and options for long term ownership of MVMCC, and, if so, direct staff to return with a work plan, budget and resident input process for this analysis and discussion.

RECOMMENDATION

Provide direction to staff.

BACKGROUND

On April 10, 2012, the Council held its quarterly agenda planning session. The purpose of the quarterly agenda planning session is to allow Council Members an opportunity to propose new items or projects for Council consideration that are currently not on the City’s Strategic Plan. At the April 10th meeting, the City Council voted unanimously to schedule a time at an upcoming Council meeting to determine if there is interest to have a more comprehensive conversation regarding the long term ownership of MVMCC.

At the June 4th meeting, the City Council directed staff to schedule the agenda item on the July 9th agenda regarding the long term ownership of MVMCC. At the July 9th meeting, the Council will determine if there is majority interest by the City Council in opening this discussion and analysis. As with any significant policy discussion that is not an initiative on the City’s current Strategic Plan, the Council then asks staff to return with a work plan, process, and budget for consideration and input by the Council. The Council will not have a detailed discussion regarding ownership at the July 9th meeting. The purpose of this agenda item is for the Council to determine if they want to have a discussion regarding “Long Term Ownership of MVMCC” or not.

Novato City Council Agenda Staff Report Date: _____ File No. _____

If there is interest from the Council for this policy discussion, staff will need to look carefully at a timeline for this process due to the Council's direction to focus on developing the City's Fiscal Sustainability Strategic Plan over the next six months from August 2012 through February 2013. Staff will take this into account when we return with a work plan, budget and process for Council's consideration.

FISCAL IMPACT

None at this time.

ALTERNATIVES

1. Initiate a process to discuss long term ownership of MVMCC.
2. Do not initiate a process to discuss long term ownership of MVMCC.
3. Postpone the initiation of a process to discuss long term ownership of MVMCC until a specific date.

ATTACHMENTS

None



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STAFF REPORT

E - 4

DATE: July 9, 2012
TO: City Council
FROM: Cathy Capriola, Assistant City Manager
Brian Cochran, Finance Manager
SUBJECT: **MVMCC REFINANCING PRELIMINARY RESULTS –
PRESENTATION BY PFM**

REQUEST

Provide initial direction to staff regarding the preliminary refinancing results in order to finalize options for final decision at a subsequent meeting.

RECOMMENDATION

Provide direction to staff.

DISCUSSION

In order to consent to the transfer of the Park to the City, Assured Guaranty required the City to either refinance the current MVMCC bonds within 18 months or pay \$150,000. Assured Guaranty has indicated that providing bond insurance for mobile homes is not within their strategic business initiatives any more. City staff has clarified with Assured Guaranty that as long as the City has made a commitment to refinance and is moving forward by September 2012, then Assured Guaranty will see this as the City being in compliance with their requirements.

The refinancing will want to consider if there are any additional funds that are going to be needed based on the “Property Condition Report” which was recently completed. It should be noted that if the decision is to refinance, Assured Guaranty will be entitled to receive all of the bond insurance payments that they would have received over the life of the bonds in one lump sum payment with the refinancing. In addition, staff asked the financial advisor to look at bonds, private loans or other financing options as we consider the question of benefits and costs of refinancing the remaining bonds.

PFM Scope of Work

In order to review the refinancing options and cost/benefit analysis, the City Council approved the hiring of PFM, a financial advisory firm with a national scope and a strong local presence to undertake this analysis. The scope of work for PFM is as outlined below.

Novato City Council Agenda Staff Report Date: _____ File No. _____

1. Confirm the key financial requirements associated with the 1997 Bonds (payments due to AGC and any other parties, as appropriate) through discussion with City staff, legal counsel, and review of the 1997 Bond transaction documents.
2. Perform sufficient due diligence on the mobile home park to gain an understanding of its financial condition and the projected credit ratings that could be achieved on a refunding transaction, and evaluate the potential interest rates on the refunding.
 - a. Include in the financial analysis any required payments by Assured Guaranty based on the agreements in place.
 - b. Outline the possibility of additional funds being included in the refinance in order to provide funding for investments in the park such as infrastructure.
3. Based on the information developed in items 1 and 2 above, prepare an analysis of the economics of refunding the 1997 Bonds.

Preliminary Results

PFM is completing its preliminary results and will have a presentation for Council and MVMCC residents ready for the July 9th meeting. The focus of the July 9th meeting will be more of a workshop format focused on education, background and options regarding the refinancing. The detailed presentation will not be ready prior to the meeting; however it is clear that the refinancing does save money and there are options for Council consideration. Staff will be asking the Council for direction on which options to explore further and bring back for final determination at a subsequent meeting in late August or September.

FISCAL IMPACT

The refinancing will have fiscal impacts which will be articulated as we review the analysis.

ALTERNATIVES

The alternatives for different financing options will be presented as part of PFM's analysis.

ATTACHMENTS

None