

FINAL Meeting Minutes

**PARK ACQUISITION CORPORATION**

Regular Meeting

7:00 PM

Wednesday, February 3, 2016

Fireside Room, 100 Marin Valley Drive, Novato, CA

ATTENDEES:

- Board Members: Larry Cohen, Mike Hagerty, Peggy Hill, Jay Shelfer.  
(NOTE: After the Consent Calendar (section C of agenda schedule), Jim Olson was appointed interim PAC board member for the open board member spot. Jim Olson joined and participated with the Board at this point for the rest of the meeting.)
- 12 Non-Board Residents
- Park General Manager: Matt Greenberg
- Recording Secretary: Susan Windman

CALL TO ORDER: 7:03 PM

A. APPROVAL OF FINAL AGENDA

Jay requested the following changes to the agenda:

- Move agenda item F-1 forward so it is discussed immediately after the Consent Calendar (section C). Subject of F-1 is: "Appointment of interim PAC board member to next election."
- In section D (Reports) of the agenda, move agenda item D-5 forward to occur immediately after D-1. Subject of D-5 is: "GSM landscape architects and Clubhouse proposal."

Motion was made and seconded to approve the final agenda, with change. Motion was voted on and passed 4-0. (Note: Jim Olson was not yet appointed to the PAC Board and did not participate in the vote.)

B. PUBLIC COMMENTS (for issues not on the agenda)

- Shareen Akroosh (183 Marin Valley Drive) responded to Matt’s letter and commented that it is full of inaccuracies. Shareen disagrees that work on her property is complete. She described problems with the retaining wall project and resulting mud and divot impacts to the backyard area, chopped up backyard, her driveway and its reduced width, incomplete trimming of juniper bushes and with the landscaping in general, concrete slab put in at the gate and resulting pooling of water, wall taken down at 185, realignment of property line.

Peggy noted that the \$300,000 allotted to the retaining wall project was for the entire project, not specifically for Shareen’s site. Matt noted that work done on Shareen’s site involved around \$150,000 and included the fence.

Jay responded he will review with Matt what can be done.

C. CONSENT CALENDAR

1. Receive approved minutes of November 11, 2015 and December 2, 2015 meeting.

Motion made and seconded to receive the approved November 11, 2015 and December 2, 2015 minutes. Motion voted on and passed 4-0.

2. Approve minutes of January 6, 2016.

The following corrections were requested:

- Mike Hagerty: In agenda item G-3 (Reports from Other Boards, MVEST), change “Sybil” to “Serena.”
- Also, G-“3” was mistakenly entered as G-“6” (the “6” should be changed to “3”).

Motion made and seconded to approve the January 6, 2016 minutes, with corrections. Motion voted on and passed 4-0.

F-1 NEW BUSINESS: Appointment of interim PAC board member to next election (Jay)

NOTE: The agenda schedule was changed – see description under section A of agenda – so that F-1 occurs immediately after the Consent Calendar (section C).

Jay indicated the President of PAC Board has authority to appoint an interim board member in order to have a full board, until a board election occurs. Jay brought forward the name of Jim Olson, former president of the PAC Board. Jay made a motion, which was seconded, voted on and approved 4-0.

Jay asked for public comments. There were no public comments.

Jim Olson mentioned he respects the work Tom did. He indicated he will not be running for election. He had volunteered to help, but his participation is for the interim period, only. He thanked everyone. (Residents clapped.)

#### D. REPORTS

NOTE: The agenda schedule returned to its published schedule.

##### 1. Report on Owner's expenses for previous years (Brian Cochran)

HANDOUT: Brian provided a "Summary of MVMCC Admin/Legal Expenses" handout (spreadsheet).

Jay asked Brian Cochran to comment on the report he provided the PAC Board concerning Park administrative/legal expenses. (There were copies for residents attending the meeting.)

Jay mentioned that for the last three years, PAC hasn't had detail of Park administrative expenses. Cathy and Brian were able to now pull this report together. Jay thanked Brian for the report.

Brian mentioned they are quite a bit behind in preparing the expenses and getting it to PAC. The last time there were charges to the Park (i.e., billing the funds of administrative expenses) was in 2011/2012. The report is a catch-up for the last three-year period. It covers fiscal years 2012-2013, 2013-2014 and 2014-2015.

There is a standard budget item expense of \$25,000, an amount which has remained the same for several years. Expenses shown in the report are grouped into categories – routine meetings and governance (includes legal costs), special projects (special short period projects), and property condition report/infrastructure/engineering staff, and also estimated administrative/legal costs for special projects/infrastructure (bottom portion of report).

Brian indicated \$25,000 is sufficient to cover routine governance and attendance at meetings. Special projects pull the amount over \$25,000. Looking at the bottom half, Brian noted that in 2012/13, the bond refinance incurred around \$30,000 in expenses for staff time. \$8000 of that was reimbursed, but the amount was not sufficient to cover the entire amount. In 2013/14, there were a few special projects, mainly involved with starting up the PG&E work that's occurring. In 2014/15, there were

expenses, including legal, attributed to PG&E work and attempt to participate in PG&E program that would compensate infrastructure costs and expenses attributed to emergency planning work. Fiscal year 2014/15 also had several smaller projects involving claims work, engineering, Clubhouse improvements, sewer pump station.

The total for the six years adds up to around \$165,000.

Mike's understanding is that the \$25,000 (per fiscal year) has already been taken from the budget, but that the special projects have not been accounted for (for example, the \$27,200 in 2012/13) and will eventually be debited from the Park reserves accounts. Brian replied that the \$25,000 has not even been debited at this point because the City has only just started to prepare the calculations shown in the report. Once the expenses get finalized, it would be one pull and should happen this year.

Larry asked if there is a breakdown showing how much of the expenses are from legal. Brian approximated legal expenses as \$41,000 in 2012/13 (of the \$53,500 total), \$17,000 in 2013/14, and \$43,000 in 2014/15.

Larry asked about a breakdown of the MVEST/emergency planning charges in 2014/15. Brian indicated it is mostly legal (part of the \$43,000 he previously mentioned), but also includes the time of Dave Jefferies and Cathy Capriola.

Peggy commented she is surprised at the \$19,000 (2014/15) for the PG&E easements. Brian responded it is mostly all legal (negotiations with PG&E over easement issues and the infrastructure application), but he doesn't have the breakdown. It is mostly in the billings.

Jay expressed PAC and resident concerns that Management and PAC have an understanding of Park priorities which the City may not fully understand when making decisions that create expenditures. For example, PG&E offered to cut down trees as part of the easement project and the City said no. The decision seemed not to examine that the tree roots can cause problems to gas pipes and/or make the pipes difficult to repair, but also that the trees prevent residents from enjoying the expansive views. Additionally, PG&E wanted to be able to fly over the project with a helicopter.

Jay would like Park issues brought forward by the City before large legal expenditures are incurred by negotiations over an issue PAC/residents may not be in agreement with.

Jim mentioned it is difficult to do budgeting if not given info. He is concerned by this. Jim also mentioned that if an issue is more of a City issue than a Park issue, he

doesn't feel residents should pay. (Meeting attendees clapped.) Brian agreed that some of the items fit in the gray area, but that moving forward he observes there is an opportunity for there to be better budget "check-ins at the front end" to provide project details, scope, costs.

Brian responded it is another unfortunate aspect of a gray area and billing records. If there is a two hour conversation between the City Attorney and Dave Jefferies, there may be a wide range of topics discussed and it is not always possible to "tease" out the subtle differences. Jay responded that part of that conversation focused on the City's own emergency plan (not the Park's), but that all the fees were charged to the Park.

Brian indicated that Veronica's billing is very detailed. When she works on a Marin Valley topic, charges go into that category. When it's City work, charges go to the City. Charges are categorized by functional area. Marin Valley goes to Marin Valley.

Jay would like to know what the City is considering or planning beforehand so the PAC and residents can give input.

Jay summarized that when the bonds were in place, the City was prevented from taking over \$25,000 (except during ownership transfer, Delegation/Management Agreement). After the refinance, the restrictions were lifted and the \$25,000 is now just a base.

Jay questioned the following Park charge by the City. The previous weekend was an MVEST-arranged CERT training for residents. MVEST is an emergency response volunteer organization set up at the Park by residents. It isn't particularly related to the Park, but the Park provides funds. Jay doesn't feel a similar Novato organization would be billed by the City. However, \$18,000 was charged by the City to talk and negotiate with MVEST. Jay asked Brian to think about this further.

Bill Davis attended all the MVEST meetings and asked how the MVEST figure could be possible. He would like the amount charged broken down. Brian responded that probably \$11-12,000 is legal time and \$3-4,000 staff time.

Serena, who heads up MVEST, says MVEST was asked by the City (Cathy Capriola) to come and talk because the MVEST is more advanced in their program. The City indicated they were interested in using the Park MVEST model for other places in Novato. MVEST was shocked to hear about the charge, especially since the City was the one who asked for them to come. MVEST came to help the City with the City's

program (not the Park's). MVEST was never told they would be billed for their participation. Serena emphasized the \$16,000 doesn't seem fair.

Serena asked if Brian could check the details, especially Veronica's \$12,000 charges (legal) as Veronica spent only five hours at the meeting. Brian agreed to check.

David King emphasized that MVEST spoke at the meeting and City staff said nothing. David wondered who some of the staff even were. He also asked the reason for charges from 2013. Another resident agreed that that long of a period seems irresponsible, and worrying from the Park perspective.

Brian responded that Jamie Fox, Police Captain, had attended the meeting and no police time was charged. Brian then summarized Park finances. The rents go into an account each month. Operating expenses are paid by Frei twice a month. Money left over goes into Reserves (i.e., cash on hand). The City has authority to use the reserves money for directly-related Park expenditures and it is valid for charges to be made from prior years.

Regarding charges for time spent in the distant past, David King pointed out that if the work time spent in the past hadn't been documented, estimates of that now would likely be inaccurate. If work time had been noted back then, there's no reason for it not to have been billed in the year the work had occurred.

Referring to Brian's spreadsheet, David commented that the numbers in the lower half (estimated costs) added up do not equal the numbers added up in the top half (expenses). There are a lot of dollars missing. There has to be some detail and formal procedures for tracking expenses. Brian later responded that the bottom half of his handout (estimates) only refers to the costs for two of the categories in the upper part of the handout -- special projects, property condition/infrastructure/engineering. The number in the bottom half of the handout are also rounded.

David made a request to Brian to submit to the PAC Board the slips which detail the information. David also asked if there is a procedure for contesting. Brian responded that there aren't slips. Most employees don't fill out time cards with that level of detail. City executives/administrators detail their time month by month using summary sheets, with regular meetings blocked out, etc.

Brian will get back to PAC whether it would make sense to forward the summary sheets to PAC. Brian added that the City legal billings are very detailed (down to the 6 or even 3 minute detail), but they are confidential. The City has aggregated the legal billings on a month by month basis and Brian will see if it can be shared.

Jay mentioned it would be helpful to have the legal costs for MVEST, and gas and electric (PG&E). David King indicated to Brian it would be helpful to, at least, have approximations.

Len Karman, referring to Brian's handout that includes charges from three years ago, commented that in California there's a 2-year statute of limitations (for parties not under contract) that would forbid \$53,500 of the \$165,000. Len also commented that the Park gets financial statements from the City, but not income/expense statements. He would like something that shows this information in detail. He wondered about 2014, when the Park was charged \$250,000 for administrative services. Why wouldn't the other routine charges during 2014, such as MVEST, be included in the \$250,000 rather than as additional administrative charges? It looks like the Park is overpaying by \$100,000.

Jay responded the \$250,000 from Park reserves was for the purchase of the TPL land adjacent to the Park. Jay asked Brian if the \$250,000 is recorded on the Park financial statements as anything else rather than a routine service charge? Is it recorded showing the Park as part-owner or contributing to the purchase?

Brian responded it is recorded as a purchase and that the City of Novato is the owner of the property.

Brian responded to Len's questions. He's not an attorney and can't respond to the statute of limitations question, but the City does the accounting and has purview over the funds for the Park. The City Council has made it clear, regarding Park management and operations, that the City is not going to be out-of-pocket general sales tax/property tax revenue in order to manage the Park. The charges are a way for the City to recoup costs that it has incurred. City financial statements are available on the City website under "Finance" and then "Financial Statements."

Jim responded the Park is under contract

5. GSM landscape architects, including proposal for the Club House (Jay)

NOTE: The agenda schedule was changed – see description under section A of agenda – so that D-5 occurs immediately after D-1.

Jay introduced Tony Williams, from the City of Novato's Public Work's Department.

There are two Park capital projects budgeted for this fiscal year:

- pool facility improvements, and

- ADA barriers/problems related to the front of the Clubhouse

Tony mentioned that he and Matt work closely together. Tony and Matt decided that before they dive in and do something they might regret later, they would look further at the Clubhouse facility and site to ensure what they do wouldn't get in the way of future improvement and would address ADA issues.

Tony, Matt and Julian decided a landscape architect is needed to adequately investigate the issues. They brought in Gretchen from GSM Landscape Architects to master plan the facility – to describe what could occur to the areas surrounding what is currently budgeted for (pool facility mechanical and ADA issues, and main Clubhouse entrance and parking).

Tony indicated the budget for the pool work looks adequate. \$75,000 is budgeted for ADA improvements to Clubhouse entrance. However, they think this is an opportunity to also address other issues.

Tony introduced Gretchen. Gretchen McCann (President, GSM Landscape Architects) described her firm's capabilities, including its expertise with ADA. Her firm has been working closely with Tony, Matt and Julian regarding the capital projects.

Gretchen displayed a large graphic site plan that highlights the ADA areas and pool area. For the ADA area, she described the following elements being considered

- Parking: 5 new ADA parking spaces
- Parking: "Warning" elements incorporated into paving at street edge portion close to ADA parking
- Parking: relocation of existing curb, wheel stops, parking sign, parking stop bar
- Plaza area in front of Clubhouse: Some current elements, such as grading, do not meet ADA requirements
- Plaza area – relocation of flag pole, installation of new paving, benches in various areas, planting of new shade trees in different spots, a secondary path added towards recreation area, relocation of mailbox.
- Plaza area – planting of water efficient, sustainable, attractive, easy-management foliage
- Covered shuffle board area – Texturing over the concrete floor to make it slip-resistant
- Pool area – create a better path of travel, especially for ADA
- Pool area – installation of better gate and fencing (for code and ADA)

- Pool – removal of existing decking and grass to create new deck, new coping around pool and spa, new plumbing and associated main frames and utility portions of pool/spa, new plastering and tile work (bring up to code)
- Pool – replace little-used turf area with shade trees and supplemental water efficient landscaping
- Pool – addition of some safety and landscape lighting and new irrigation system
- Pond – Coy fish would remain

David King wondered which aspects would be considered “optional.” Tony replied there are many optional areas, such as regarding the trees, benches, flagpole relocation, paths, and lighting.

Tony indicated there are options regarding how to proceed – do everything all at once, do it in phases, do what’s most necessary first, or? David King replied it would be good to have costs associated with each, and to separate finances according to what is optional/not optional.

Anila asked about the swimming pool water and its availability for use during severe water shortages. Tony responded with options regarding use of the water. Anila indicated residents have indicated interest in a saltwater pool (non-chlorine). Tony replied it’s something that can be looked into. Anila asked if something could be done to the Clubhouse “breezeway” area to both address ADA and also make it more recreation-usable. Tony said it’s one of the elements that Gretchen was asked to look into.

A resident commented she would like consideration, during design decisions, on enhancing the incredible view before just planting trees. A lot of attention is being put on the Clubhouse entryway (plaza area) when the area is just not used much by residents. She thinks attention should be focused on where the view is and would like the money spent on that.

A resident asked if the current front paving is going to be replaced with permeable concrete. She uses that area and finds it serene. Tony responded that the current sitting area is beautiful but is unstable and needs to be addressed.

David King added that the front creates the signature image for the entire Park and needs to represent the beauty it has. Right now, it is very beautiful. Tony agreed.

A resident mentioned that several years ago money was spent on an ADA survey. Tony responded that that survey is the genesis for the work being discussed now, and the info obtained is being used. The resident would like to know the minimum that

would be required, budget-wise, to respond to ADA. Tony replied they are working on that right now.

A resident thanked Tony for the plan.

A resident voiced concern the Clubhouse front would be made to look like every other commercial spot. The resident also indicated concern that the benches, paid for by residents, would be removed. Residents would hate to lose them. Could they, at least, be incorporated in the garden going out the other side? Another resident described what the Clubhouse area looked like 12 years ago and the huge work residents put in to remove juniper, etc.

Another resident indicated he likes the front the way it currently is. The sitting area is away from the pathways. It is very pleasant where the benches are located.

David King wondered if just the front pathways could be addressed, in order to meet ADA requirements, with the current bench area left alone.

Tony indicated they will look further at the plan and resident comments. Jay hopes Tony will take some time to talk with residents and PAC – the folks who live at the Park -- as to what they would like to happen. Having an architect come in with the perspective to address ADA requirements may not address what residents would like. Also, residents are interested in how the work could be phased, work-wise and financially.

Tony indicated that \$275,000 has already been budgeted for the work.

Tony and Gretchen were thanked for coming to the Park. (Residents clapped.)

## 2. PAC Treasurer's Report (Larry Cohen)

Following is the PAC Treasurer's report:

PAC Final Balance		\$6,007.76
PAC Actual Balance		\$2,040.26
Humanitarian Fund Starting and Final Balance		\$3,967.50
Total Spent Current Fiscal Year		\$2,019.73
Express Services	\$1887.30	
Printing	\$ 132.43	

3. MVMCC Administration and Finance Report (Peggy Hill)

Peggy looked at the monthly management report and indicated the debt-to-service ratio is fine and currently at 2.80. The mid-year budget report was sent out (end of December) by Al Frei. Operating costs are shown to be 11% under budget. There were extra expenses (dead/leaning trees taken down, license/permit costs, major construction projects, etc.). The reports are available through Matt.

4. Maintenance and Capital Projects, including report on parking issues (Matt Greenberg)

Matt provided the following project report:

- Electrical upgrade downstairs at the Clubhouse – Matt had the downstairs electrical panels replaced and upgraded to meet today’s code and standards. Matt would like to put into the budget a more efficient roof air conditioning condenser system, to incorporate new air conditioning and a furnace for the ballroom. The electrical upgrade was the first stage of doing this.
- Parking – Matt had a discussion with Veronica via email about resident concerns regarding stored vehicles, parking in cul-de-sacs due to lack of parking and/or because of ownership of several cars. Veronica responded she didn’t want “one off” rule changes and would like to address changing all the rules in 2017. Veronica would like proper signage put up at the beginning of the Park with the code and different signs around the Park. Vehicles of residents or guests left improperly or parked improperly in the street could then be subject to a ticket or even a tow. Matt asked for direction from PAC to him.

PAC Board members and residents discussed further. Larry indicated the previous PAC discussion had been tabled. Jay asked if the topic could be added to the 2x2 list. Peggy looked at the Delegation Agreement and it says at the end that Management is responsible for proposing rule changes; it says nothing about the City Attorney being responsible for changing the rules. Why is Veronica deciding rule change would be occurring in 2017?

Matt indicated one area of discussion he had with Veronica was regarding changing RV storage and adding additional parking there. Parking is also being examined during discussions about the Park plan.

6. Report of 2x2 meeting, Jan 11 2016 (Jay, Mike)

Mike summarized the following points about the meeting:

- City Council meeting at Park is tentatively scheduled for March 15.

- The City is planning to schedule a workshop in March on rent differential issues (tentative).
- Much of the talk covered subjects discussed by Brian.
- Landscape study issues were discussed and led to the appearance of Tony and the landscape architect at the PAC meeting.
- Satellite dish and antennas – It’s still a health and safety issue to have them improperly hanging on the roof. They must be affixed to the roof or side of the residence.

A resident asked about costs allotted for the landscaping/ADA project. Jay responded that costs aren’t yet known. Larry indicated \$75,000 has been budgeted this year for the ADA parking spaces out front and \$200,000 for the pool project. \$275,000 total has been budgeted for this fiscal year.

7. City of Novato (Jay)

The topic has already been covered and there is nothing extra.

E. OLD BUSINESS

No old business to discuss.

F. NEW BUSINESS

1. Appointment of interim PAC board member to next election (Jay)

This topic was discussed previously immediately after the Consent Calendar (agenda section D). See agenda section A for further details.

2. Appointment of Larry Cohen to run the forthcoming PAC election for 4 seats (Jay)

Jay indicated a PAC Board member is needed to run the election coming up in May, for four vacant PAC Board seats. The only available member is Larry Cohen. Jay made a motion to nominate Larry Cohen to run the forthcoming PAC Board election. The motion was seconded and voted on. The motion passed 5-0.

3. Appoint a review committee for the wish lists. Recommendations for the next PAC meeting in March. (Jay)

Jay would like another PAC Board member join him in reviewing, with Matt, the items for the wish list. The items would then be prioritized and brought forward to next month’s PAC Board meeting for discussion and voting.

Jim indicated he could do it.

The motion was made, seconded and voted on. The motion passed 5-0.

4. Determination of next meeting date

The next meeting will be: **Wednesday, March 2, 2016, 7 pm.**

G. REPORTS FROM OTHER BOARDS

1. HOL

Peggy was asked to speak for HOL. Peggy thanked Erma Wheatley and the committee for doing a fabulous job for the new 2016-17 directory.

2. MAR VAL

Peggy also provided an update for Mar Val:

- There will be a Mardi Gras dinner on February 13.

3. MVEST

Two successful trainings were recently held and will be offered again. Several MVEST members will be taking the CERT T-3 training -- train the trainer -- which would enable MVEST to run their own trainings. (Residents clapped.)

H. ADJOURNMENT

Before adjournment, Jim Olson made three comments:

- Jim is unhappy regarding the amount of talking that is done, and the charges that result from it. For example, he wonders why the Park and PAC couldn't themselves have looked into options for the Clubhouse front and Pool area, rather than the City doing it (and charging for it). Matt responded that he actually had already received bids for the work, at less cost, but the City then took it over and gave it to its Engineering department.

Jim would like to see PAC present more things, even if it is bounced back by the City. It would establish PAC and Park credibility there at the City.

- Jim mentioned that in his experience, the City administration billed has usually been conservative. The attorney billing is always very accurate.

- Jim reiterated that any time anyone contacts the City and uses their services, there is a cost. He is sure tonight's appearances cost several hundred dollars.

A motion was made and seconded to adjourn the meeting. Motion passed 5-0.

Meeting adjourned at 9:12 PM.