

FINAL Meeting Minutes

PARK ACQUISITION CORPORATION

Regular Meeting

7:00 PM

Wednesday, May 4, 2016

Fireside Room, 100 Marin Valley Drive, Novato, CA

ATTENDEES:

- Board Members: Larry Cohen, Mike Hagerty, Peggy Hill, Jim Olson, Jay Shelfer.
- 18 Non-Board Residents
- Park General Manager: Matt Greenberg
- Recording Secretary: Susan Windman

CALL TO ORDER: 7:13 PM

A. APPROVAL OF FINAL AGENDA

Motion was made and seconded to approve the final agenda. Motion was voted on and passed: 5 ayes, 0 nos.

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

- Anila Manning announced that Oma Village is having a “hardhat” tour on Friday at 2 pm. (See Attachment #1 at end of minutes.)
- John Hansen spoke about the “Vial of Life” program recently initiated by MVEST. The program provides plastic tubes (“vials”) into which critical medical information can easily be stored (on a refrigerator door, for example) so the information is available and easily accessible if a health emergency suddenly occurs. John provided vials to interested meeting attendees.
- Gary Appleman thanked Matt for his work on the Park landscaping. “It looks great!” Gary also commented about the budget. He would like someone to address the line item about MarVal costs and to describe the legal basis for MVMCC being able to pay the MarVal directed offices and insurance.

C. CONSENT CALENDAR

1. Receive approved minutes of March 2, 2016 meeting.

Motion made and seconded to receive the approved March 2, 2016 minutes. Motion voted on and passed 5-0.

2. Approve minutes of April 6, 2016.

PAC Board members had the following comments:

- Agenda item D-5, in paragraph starting with “Peggy wonder if it...” – Peggy would like the words “area of” added before the word “expertise” so that the sentence reads: “It isn’t Veronica’s area of expertise.”
- Agenda item E-1, in the first paragraph, last sentence – Peggy would like the words “without State” replaced with “with expired...” so that the sentence reads: “...she counted four cars with expired registration stickers.”
- Agenda item E-1, in the paragraph starting with “Jim mentioned that...” – Jim would like the word “eviction” replaced with “court order” so that the sentence (first sentence in paragraph) now reads: “Jim mentioned that court order is another avenue.”
- Agenda item E-1, in the paragraph starting with “Jim mentioned that...” – Jim would like the following sentence added after the sentence ending with “... to follow the rules:” “And then they are in contempt of court if they don’t comply.”

Motion made and seconded to approve the April 6, 2016 minutes, with corrections. Motion voted on and passed 5-0.

D. REPORTS

1. Update on MVMCC Preliminary Landscape Plan (Gretchen McCann, Tony Williams)

Gretchen McCann (landscape architect) and Tony Williams (City of Novato) presented an update of the MVMCC Landscape Plan that incorporates previous resident comments and concerns. Gretchen set up two landscape plan displays -- one that shows existing landscape conditions and the other that shows the proposed landscape.

Tony Williams provided a two-sided handout. One side summarizes comments received from the March PAC meeting and changes made in the Landscape Plan. The other side provides project costs for the MVMCC ADA entry and pool/spa improvements.

Examples of comments incorporated into the final plan include:

- Existing front garden/bench area and request to retain it – No changes are proposed other than a change to the pathway/sidewalk along the perimeter.

- Replacement pathways and request to utilize permeable paving or stabilized granite – The extent of replacement pathways has been minimized. Regarding utilizing permeable paving or stabilized granite for pathways, concrete has been chosen as the best material from the cost and maintenance perspective.
- Existing landscaping and request to maintain the current aesthetic appearance of the entry/front of the Clubhouse building – The final plan minimizes changes to the existing landscaping.
- Pool/spa area and request to minimize use of concrete in that area – No new concrete is proposed in the pool/spa area.
- Pool/spa water and request to consider an alternative pool/spa water treatment (not traditional chlorine) – A salt-chlorine generator type treatment system is being installed.

ADA landscape improvements would include:

- The parking area in front of the Clubhouse would be redone and ADA loading zones added. The work includes grading and drainage of the sidewalk area that connects to the parking. From the sidewalk, there would be new pathways that connect to the building areas.
- Sandblasting would be done to two of the current shuffleboard courts for slip resistance.

Out of scope ADA improvements that need to be shown in the plan to meet ADA requirements include the following:

- ADA pathway access to the new location of the flagpole. A new flagpole would also be needed in order to meet ADA height standards.
- In the garden at the front of the Clubhouse, the two benches would remain but two ADA benches would be added.
- ADA pathway to a proposed memorial bench area.

Tony provided a brief overview of budgeted project items. He mentioned that part of the pool costs for work ongoing through Matt (plumbing, etc.) includes a salt water-chlorine system (for pool).

Jay asked if an outside shower could be included. Tony mentioned he would speak with Matt about making it part of the project.

Jim Olson thanked Tony and Gretchen for listening and incorporating resident comments in the planning process.

Tony mentioned the City Council would be given an update at their next meeting.

For the PAC Board, Jay thanked Tony and Gretchen for their good work in creating what appears to be a grand project that residents will be able to enjoy for many years in the future.

2. PAC Treasurer's Report (Larry Cohen)

Larry presented the following PAC Treasurer's report:

PAC Final Balance	\$6,382.22
PAC Actual Balance	\$2,414.72
Humanitarian Fund Starting and Final Balance	\$3,967.50
Total Spent Current Fiscal Year	\$2,774.65

3. MVMCC Administration and Finance Report (Peggy Hill)

Peggy looked at the monthly management report. Debt-to-service coverage ratio is 2.91, which is a very good figure. Peggy noticed that \$22,525 was already paid for the landscape architectural plan.

4. Maintenance and Capital Projects: PG&E path update, swimming pool, resident and guest parking (Matt Greenberg)

Matt provided an update of the following projects:

- Trees have been pruned at the Park that show safety issues, such as limbs hanging unsafely over a home.
- Pool remodeling/repair work (coping, tile, etc.) is currently stopped pending delivery of the coping and tile. Work should re-start around May 10 and be finished by June 1.
- The existing equipment will be in place for circulating the pool water while the plaster is curing. The replacement equipment will probably be in towards end of the month.
- 203 homes have had their gas valves replaced with a new yellow handle ball valve, including a meter stand for stability that goes under each meter. Pilot lights are typically re-lighted after installation. A resident indicated to Matt that notification tags were not left on the doors of homes on her street indicating installation of the valve had occurred.
- The vacant lot at 171 Marin Valley Drive has been graded and cleared, in anticipation of the new home that will be coming. The Novato City Council will need to approve the new home. Matt figures by late August the details will be finished and the home will arrive.

- Matt purchased several new pieces of gym equipment -- one to replace a broken piece, and another which is a new cable stretching machine

Regarding the PG&E path -- Matt is contacting residents this month to look at types of plantings for the pipe zone. At the June 7 City Council meeting at the Park, the City Council will be briefed on the cleanup and approve the project. The next day, PG&E will be required to give the Park 30 day notice that work will be starting. Matt thinks work will start around July 7.

Regarding guest parking – Matt has contacted several residents that have vehicles with registration not current or vehicles that have not been used for a long time. Four of the contacted residents have decided to sell their vehicles.

Anila wondered if it would be feasible to have more parking spaces at the Park. Matt responded that discussion has occurred previously about possible locations for them, but there are issues with each location. Matt’s inclination is to use the RV storage if parking ever gets so bad. New spaces are available now that several residents have sold their cars.

5. Report on Wish List (Jay)

Jay indicated the only additional Wish List item, to be discussed later by Mike Hagerty, involves finishing off the exercise activities room located downstairs at the Clubhouse and putting in mirrors.

E. OLD BUSINESS

1. Report on PAC Election in May (Larry)

Larry mentioned a PAC Board member election will be held soon. The nomination period is May 15-21. If there are more than four candidates, there will be a “Meet the Candidates” night on May 24. Ballots will be mailed on May 23. Balloting will occur from May 25-June 3. On June 3, at 5 pm, ballots will be counted. Winners will be announced at the PAC Board meeting the next morning (Saturday, June 4, 11 am). Contact Larry to nominate.

Election dates and details will be posted in The Echo.

2. Motion: To remove from consideration my previous motion to write letter to Novato City Council members (Larry)

Jim Olson mentioned the PAC Board first needs to vote to bring the topic back as an Action first, and then vote on it.

Jim moved to bring the topic back to the table for discussion. Jim's motion was seconded and voted on. The motion passed 5-0. Jay next summarized the original motion, proposed by Larry, to write a letter to the Novato City Council members. Jay brought forward the motion asking if the PAC Board should write a letter to the Novato City Council members. The motion was seconded and voted on. The motion failed: 0 ayes, 5 nos.

3. Finishing the Downstairs Exercise Studio: Motion for professional installation of mirrors in the room (Mike)

Mike Hagerty mentioned the exercise studio, downstairs at the Clubhouse, is almost finished but there are no mirrors installed. Matt responded he needs a budget in order to purchase a professional installation of the mirrors.

Mike made a motion for professional installation of mirrors in the downstairs exercise room. PAC Board members discussed where the funds could come from. Matt thinks funds may be left over from this year. Matt also mentioned he could take out a contingency next year but just needs to be asked next fiscal year.

Mike rephrased his motion to ask Matt to look into funds for professional installation of mirrors in the room. The motion was seconded and voted on. The motion passed 5-0.

F. NEW BUSINESS

1. Budget for 2016/17: PAC to vote on its acceptance and present any objections or requested changes back to City staff. The City Council will vote on the budget at the June meeting. Matt Greenberg, Park Manager, and Brian Cochran, City of Novato Finance Administrator, will be available for discussion. (PAC ad hoc finance committee)

Matt indicated that the draft budget currently in front of the PAC Board is almost identical to last year's budget. The exceptions are:

- Line Item for \$50,000 from capital expenses for exterior of the Clubhouse flat roof beams – It will be the last time for this line item because the work will soon be completed.
- \$45,000 has been added for new heat pump/air conditioning units for the ballroom. Matt will try to schedule the work to start the day after the City Council meeting.

- Slope stability budget items, which are being stretched out several years, especially the larger, more expensive work items.
- 1-1/2% increase in rent proposed by AI to cover increased maintenance and capital improvement costs.

Jay indicated the Finance Committee will look at the proposed rent increase further.

Jay asked Brian Cochran to speak about the rent increase proposed by Al Frei. Brian mentioned the budget is a draft (the first proposal from Al Frei's management company) and that the City does not yet have a formal perspective on the rent increase. Over the last two years, the City Council's philosophy has been fairly consistent in terms of priorities: (1) maintaining the long term affordability of rents in the Park, and (2) long term infrastructure components (underground utilities in the Park) that need to be replaced.

Also, City of Novato has a mobile home rent control ordinance. Rents at mobile home parks within the city cannot increase by more than the annual increase in the Bay Area CPI (consumer price index, published by the Bureau of Labor Statistics). Brian mentioned that the CPI for the Bay Area has been fairly high – over 2% -- but it is only one of the resources looked at by the City. The City sees the CPI figure as a ceiling figure regarding the amount charged for rent. When a rent increase goes into effect, it impacts rent for a long time.

Brian continued that regarding building for the long term, when the refinance occurred in 2012, one of the City's key policies was building a cash balance for the Park so there would be some certainty and control over the Park's destiny. \$4 million has been built up for the Park reserves.

Regarding a 1-1/2% rent increase, the increase would generate around \$36,000 annually in additional rent. Coincidentally, the operating costs within the budget year that Al Frei is proposing are increasing by \$36,000.

Peggy indicated that a rent increase might not be a problem for some residents, but a problem for others. Social security is not increasing and many residents are on fixed incomes. Additionally, the costs of living have increased. The debt-service ratio is healthy and could go down a bit without impacting the loan. The excess revenue for the next budget will be at or above \$214,000, without any rent increase.

Jay mentioned that the PAC finance committee has been looking at the budget and long term issues. The committee will be preparing a letter, detailing key points and recommendations that Jay hopes will be looked at by the City when reviewing the budget and considering the rent increase.

Larry made a motion that the PAC Board recommend to the City no rent increase. The motion was seconded. Board members discussed the motion further.

Mike Hagerty mentioned he has a problem with continuing having no rent increases. Doing so is stealing from future generations because it reduces the Park reserves. Some residents can afford it, some residents can't. There should be ways of helping residents with lower incomes (approximately 20% of the residents of the Park). The rest of the residents should pay the rent increase of 1-1/2%.

Jim indicated he supports Mike's views. He has concerns about the health and growth of the infrastructure when the time comes due. He would like to have as much money saved as possible for it. He doesn't like the thought of someone, after he is gone, paying for the work. He is interested in the City's recommendation on this. He supports a rent increase.

Larry responded that the rent increase won't be enough for the infrastructure work and that a loan would be required.

Jay mentioned that the amount of money generated from a rent increase is small when compared to the amount needed for the infrastructure work. The equity being built in the Park and the interest paid towards the refinanced loan is occurring at a fairly good pace. Jay thinks it would be easy to obtain a bank loan, paid by future residents living in the Park. Currently, residents, including low income residents, are being asked to pay additional money now for work that likely would occur after they are gone.

Gary Appleman commented that Cathy Capriola previously indicated, at a City Council meeting discussing the infrastructure project, that Park reserves are great and taking out a quarter million dollars won't have any effect in the long term. Gary wonders why now there is the discussed situation regarding the reserves. There is an \$80,000 budget item now eliminated from the operating budget due to cancellation of the Comcast contract. From the budgetary context, the \$31,000 from a rent increase doesn't make sense. There is another \$47,000 for salaries increases, etc. There is around \$8500 (around \$700 per month) for MarVal's DNO (directors and officers) insurance. (In contrast, the Park's general repair budget is \$45000.) Gary can't find any document that gives the PAC Board authority to authorize MarVal's insurance payment. MarVal has a budget.

Larry will look into the MarVal insurance payment. Larry also commented the Comcast cable TV payments were around \$62000 per year.

Jay commented that funds available due to the recently-eliminated Comcast contract and funds from the upcoming sale of the new home at 171 will help offset some of the budget costs.

David King went through the budget and noticed Al Frei's operating expenses have increased by around \$19,000. \$15,000 is for the trees, not inflation. Estimated operating costs are \$63,000 less than what is budgeted. David commented that Al Frei is involved with operations only and it is not his role/responsibility to ask for a rent increase. Also, the budget is showing more money coming in than costs but still would need a loan for the infrastructure work. David noted if the rent is raised every year for 10-15 years until infrastructure work is needed, the funds generated would only be enough for down payment. The two options for funds are from a loan and/or from raised rents.

A resident has concerns about Park work continuously differed for a long time, the impacts (financially-negative) to residents since 2005 by various projects going on to or around their homes, and now the rent increase. The Park she moved into seems to have deteriorated visually. She feels the budget should have included long ago savings for the infrastructure work.

Jay commented the City is studying the type and amount of infrastructure work that would be needed.

John commented that if the various infrastructure work (water, sewer, electrical, etc.) were done piecemeal, it would cost much more. He would love being able to pay forward for the infrastructure work, but many residents are not in a financial position to do it. He noted that the cost of a home at the Park has recently gone up substantially and that the demographics is changing because of it.

Erma Wheatley asked Brian about the \$60 per space charged for rent control. She also asked the reason for using percentage when calculating rent increases. Residents are not getting a social security increase, but are getting increases in the cost of food, etc. Residents are already paying it forward – paying for future residents.

Brian responded that the \$60 fee is mandated in the City's mobile home park rent control ordinance. He thinks the ordinance allows for half of the fee to be moved for payment by the owner. The purpose is for monitoring and ensuring Park owners and management are abiding by the law, and that rents are not being raised above the CPI factor. The law also states the rent can only be raised by a percentage.

Jay asked if the ordinance could be waived for the Park since the City is the owner. Brian responded that there is monitoring done for Marin Valley, including over the management.

A resident asked about the rent differential issue at the Park. Brian responded he and Veronica (City of Novato Attorney) have been looking at it. An initial conclusion is that there isn't a lot that can be done because of the way the rent control ordinance was implemented 20 years ago. Brian and Veronica discussed having a workshop for residents on the issue. The issue seems tied into the bigger ownership question of the Park. Brian has also been looking into options for the lower income Park residents.

Larry repeated his motion for there not to be a rent increase the next fiscal year. The motion was voted on and passed: 3 ayes, 2 nos (Mike, Jim)

2. Clarification (no action to be taken): PAC subcommittees, members, person in charge, the PAC Board member who is liaison, and which PAC Officer tracks this information (Jim)

Jim summarized he doesn't think it is clear what the subcommittees are, who is in charge of the subcommittee (who is the PAC Board member) and who are the members of the subcommittees. Jim suggested that when the reports from the other Boards are heard, the leading member of each subcommittee make a report.

Members discussed the finance committee and rent differential committee. Jim asked about the status of MVEST.

Jim feels it is important to clarify the details. The topic will be discussed further.

3. Determination of next meeting date

The next meeting will be: **Saturday, June 4, 2016 at 11 am.**

G. REPORTS FROM OTHER BOARDS

1. HOL

Elections will occur May 18. The slate of candidates is posted at the Clubhouse lobby.

2. MAR VAL

The Memorial Day party is coming up. A Jazz brunch will occur June 11.

3. MVEST

John Hansen spoke for MVEST. MVEST is putting together their schedule for the year. There will be 10 to 12 different trainings. In late October, MVEST is hoping to put on a major exercise at the Park involving the Novato fire district, medical reserve corps, MVEST, volunteers, etc. Also, MVEST is currently preparing a room (with the help of Matt) to be used as an incident command center.

H. ADJOURNMENT

Meeting adjourned at 9:27 PM.

ATTACHMENT #1
PAC BOARD MEETING MINUTES
MAY 4, 2016

Tour of Oma Village

Oma Village, which will offer 14 small rental homes for formerly homeless families, is taking shape with help from HomeAid Northern California, the philanthropic arm of the Building Industry Association in the Bay Area.

The program at 5394 Nave Drive, to be operated by the nonprofit Homeward Bound of Marin, will host community visitors for a hard-hat tour at 2 p.m. Friday, May 6, to mark Affordable Housing Week (May 1-7). The grand opening is planned for late summer.

Visitors are invited to meet at the Oma Village rear entrance, on Marin Valley Drive near Bolling Drive, to tour the site that will offer one- and two-bedroom apartments a community building with shared laundry and homework club, playgrounds and shared gardens.

Through HomeAid, skills and materials from manufacturers and building professionals are pledged to Oma Village at a discount, enabling construction at the lowest possible cost. Oma Village will cost an estimated \$5.5 million, with the value of donations coming through HomeAid Northern California topping \$800,000.

“This is our first permanent supportive housing project, so we’re very excited. The other 35 Bay Area projects we have completed have been shelters and transitional housing, says Cheryl O’Connor, HomeAid executive director.

The opportunity to give back with their expertise motivates many on the site, says Richard Wilkins, whose Sacramento-area company RAW Construction organized the crew of 15 to 20 framers now finishing up their task.

“I don’t want to work but I really want to do this,” says Wilkins, who claims he retired last year. “Helping people is what it’s about. Not handing them stuff, but helping them go forward.”

He spends much of his time working on charitable projects with ministries like Capital Christian Center, where he’ll join a group leaving June 4 to work at an orphanage in the Dominican Republic. Wilkins is raising funds for a baseball field at <https://de.gofund.me/House-of-light&rcid=e94d70daf78a11e5b619bc764e0525d6>