

FINAL Meeting Minutes

**PARK ACQUISITION CORPORATION**

Regular Meeting

7:00 PM

Wednesday, May 6, 2015

Fireside Room, 100 Marin Valley Drive, Novato, CA

ATTENDEES:

- Board Members: Larry Cohen, Mike Hagerty, Tom Miller, Jay Shelfer, Desiree Storch
- 16 Non-Board Residents
- Park General Manager: Matt Greenberg
- Recording Secretary: Susan Windman

CALL TO ORDER: 7:02 PM

A. APPROVAL OF FINAL AGENDA

Mike Hagerty asked that discussion of Ownership issues (agenda item F-6, under “New Business”) be tabled and moved to next month’s agenda.

Motion was made and seconded to approve the final agenda, with Mike Hagerty’s change. Motion was voted on and passed 5-0.

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

- Jack Brandon expressed disappointment that there was no record enclosed with the PAC Board minutes or tonight’s agenda showing public comments from the special City Council budget meeting held recently at the Park. There is no record showing the resident input for the Wish List and for items to be presented to the City for the Park budget. There was substantial turnout at the meeting and many resident suggestions were made. Jack feels the Board has an obligation to record the comments and to have included them in this meeting’s agenda packet.
- Mike Hagerty spoke about comments and a letter/petition he received from a resident. The resident was unable to attend the PAC meeting. The resident commented he recently sent a letter to Cathy Capriola (City of Novato) asking that the salary for Matt, Mark and Greg be increased. Cathy responded that she would forward the resident’s letter to Al Frei. Mike indicated to Board members he would like to

circulate the petition, drafted by Gary Appleman, at the meeting and that he (Mike) has already signed it.

Tom responded he feels that signing a petition at a PAC meeting is an out-of-order activity and that a petition, instead, should be circulated/signed at the HOL level. He agrees with Gary and mentioned that Gary also sent him a copy of the letter and Cathy's response. He thinks all that is needed is for the PAC Board to agree unanimously to draft a letter to Al Frei suggesting he look into a salary increase. Tom doesn't think a petition is needed from the residents.

Mike would like a ruling from the Chair if the petition is out-of-order. Jay (Chair) responded he would prefer not to circulate a petition during the meeting. Mike indicated instead of circulating the petition, he would place the petition on the table.

Diane Brandon commented that from what she has learned through her business experience, she feels there should be a petition about the salary increase and that it should include a discussion about past performance, future improvement/goals, and reasons for the salary increase.

- Erma Wheatley spoke for Bill Noble, who would like a monthly column in The Echo that provides Park water usage data – specifically, three years of water usage records to compare with current usage. Matt indicated he will call the water department and look into getting monthly master meter reading records, including past records.
- Desiree read the following letter from Gary Appleman:

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(Letter from Gary Appleman to PAC Board)

I apologize for not being able to attend tonight's meeting because of a family death.

I am urging PAC and all residents to contact Cathy Capriola, the Assistant City Manager, to urge that the budget be amended to include a significant pay increase for Mark and Greg, our maintenance people, and Matt Greenberg, our manager.

The 2015-2016 Proposed Budget does not include any pay increase for Mark, Greg or Matt at all!

At the PAC meeting to review the budget, residents reported that neither Mark nor Greg has received a pay increase in 7 years. Greg makes little over minimum wage. The day laborers standing in front of Home Depot earn almost twice as much as these men.

Some people may argue that they receive free housing. However, state law requires the Park to have someone living on the premises 24/7. So that it is to our advantage.

Mark and Greg know the Park, the residents and the equipment and systems. We need to keep them and to make certain they are adequately compensated.

Even more troubling is that Matt Greenberg, who is an extremely knowledgeable, talented and hard working manager, is grossly underpaid. The Park, and not Al Frei, determine and pay Matt's salary.

We are facing a major capital improvement project and we need Matt's expertise.

In the year and a half Matt has been with us, he has addressed long deferred maintenance issues – the list of things he has accomplished and is accomplishing is pages long.

I do know something about property management. My late wife and I founded Knoll Community Management, where we managed 30 homeowner associations and hired on-site property managers. In 1992, almost 25 years ago, Tiburon Hill, a much smaller complex than MVMCC, paid its on-site manager \$52,000. Matt is making little over that.

I also know a good manager when I meet one and Matt is the best!!!

We need to let the City know we appreciate the job Matt is doing, we want Matt to stay here and we want him to be adequately compensated.

Our budget is over \$2 million. If the City wants it can find an extra \$30,000 – 1.3% - - to pay Matt, Mark and Greg what they deserve.

I am urging all residents to write, email or call Cathy Capriola to let her know we want the budget amended.

There is a petition here to sign and there are small sheets of paper with Cathy Capriola's contact info.

Thank you,  
Gary Appleman

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Tom indicated that Cathy Capriola responded to the letter and that Gary's letter and Cathy's response are being forwarded to Al Frei.

Jay responded to the above public comments:

- Employee salaries fall under the domain of management. Management has its own criteria and background information that the PAC Board may not have. The PAC Board can petition/request Al Frei to look into the salaries, but it is Al Frei's domain. Tom wondered if it would be in line to have a motion to amend the budget up to a certain amount, which would include the raises for Matt, Greg and Mark. If PAC wrote a letter to Al Frei, with a copy to Cathy Capriola, indicating unanimous support by the PAC Board for raises and budget amendment, would that not carry some weight with Al Frei. Jay responded such a motion would first need to be put on the agenda for discussion next month. Discussion would still occur before the City Council meeting when the budget is voted on. The PAC Board could request the City Council to consider adding certain sums if necessary to the budget to accommodate the raises. Larry added that in the upcoming budget there is extra money allotted that Al Frei could use.

C. CONSENT CALENDAR

1. Receive approved minutes of March 5, 2015 meeting.

Motion made and seconded to receive the approved March 5, 2015 minutes. Motion voted on and passed 5-0.

2. Approve minutes of April 1, 2015 meeting.

Tom asked that the following correction be made to agenda item B (Public Comments), in the paragraph within that section at the top of page 4 that starts with "Tom asked Matt..." --

Change "\$6000" to "\$60" so that the sentence in the paragraph reads: "...the cost would be around \$60."

Motion made and seconded to approve the March 5, 2015 minutes, with the correction included. Motion voted on and passed 5-0.

D. REPORTS

1. PAC Treasurer's Report (Larry Cohen)

Following is the PAC Treasurer's report for May:

PAC Final Balance	\$5,621.30
PAC Actual Balance	\$2,082.20
Humanitarian Fund Starting and Final Balance	\$3,539.50
Total Spent Current Fiscal Year	\$2,432.92

Jay asked about the Humanitarian fund. Larry responded that there are two humanitarian funds. One Al Frei manages and it starts out at \$12,000. The other one is the one shown in the report and is separate. It exists mostly from contributions and has never been touched.

## 2. MVMCC Administration and Finance Report (Desiree Storch)

The accounts are looking fine. The debt-to-service coverage ratio is 2.76. The long term reserves is at \$2.1 million. The regular capital reserves consists of \$1 million.

## 3. Maintenance and Capital Projects (Matt Greenberg)

Matt presented the following report:

- The ongoing project in front of the Clubhouse should be cleaned up by June 1. Dry rot existing for years around the rafter tails is finally being removed.
- The gable and wall in the Fireside room were recently discovered to be in pretty bad shape. There are areas where you can look through the building. The main beam and the subsidiary beams are rotten into the building. Matt indicated he is allowed to go over his capital budget by 10%. Matt made a request to Cathy regarding the rot around the beams and she approved Matt to spend the extra \$13,000 for repair work. The actual cost could end up being a little more. Matt is concerned that when the siding is removed and areas are cut back, especially around the big main beam, rot will be found behind the existing framing. A custom piece of steel will need to be made to support the beam and integrate it into the wall.

Matt mentioned ADA repair work was done previously to the East end wall in the Ballroom and the windows replaced. However, the rotten beams above were not addressed.

Matt added that when the scaffolding is removed from the front of the building, he has designed a whole system that is going to protect those beams and upgrade the look of them.

## 4. City of Novato (Jay Shelter)

- The City of Novato has indicated there has been movement in discussion with the federal government regarding exchanging land usage of the TPL land for land currently at Hamilton. Jay added it seems there is strong likelihood the exchange will go through, which would conserve the TPL land as park and recreation and remove it from having zoning that would permit building on it.

- Comcast will be dropped in December. Residents will need to be alerted since after that date they will be responsible for making their own decisions regarding television and internet connectivity.

A resident asked about the antenna/dish issue. The resident noted there currently exists a policy regarding size. Also, the dish isn't supposed to be located in a conspicuous and/or dangerous place, and preferably not located on top of the roof. A Board member affirmed this. Jay noted it is still an ongoing discussion, especially with all the new technologies constantly being developed.

5. Former TPL lands (Jay)

Discussed above in agenda item D-4 (City of Novato).

6. Comcast: Management is cancelling the broad Park coverage and allowing individual residents to choose their own access to TV programs. (Jay)

Discussed above in agenda item D-4 (City of Novato).

7. Review of the process for inclusion of budget items to the capital and maintenance budget prepared by management, for approval to the current title holder of MVMCC. (Jay)

Desiree previously conducted a meeting with residents for the Wish List. Jay and Larry then went to a meeting with the owner (City of Novato) regarding the list. J

Jay indicated he wants to move the discussion of the Wish List process to next month's agenda. Jay would like the entire process formalized, and for it to include how items get onto the Wish List and how residents and Board members can bring forward suggestions to be added into the budget.

E. OLD BUSINESS

1. PAC election process, and allocate funds for refreshments (Peggy Hill)

Peggy Hill mentioned there was an article about the election in this month's Echo. The nomination period begins Saturday, May 9 and ends one week later. Peggy requests if someone plans to nominate themselves or a different person, that Peggy be notified as early as possible, especially if there will be more than two candidates.

Peggy is hoping/requesting the nomination period next year be moved earlier, to say May 1, to provide more adequate time for ballot printing.

If there are two or more candidates, there will be a Meet the Candidates night on Wednesday, May 27, 6:30 pm. The voting period will begin immediately after. The voting period ends Friday, June 5 at 4 pm.

Peggy needs volunteers to help with ballot counting. (Peggy will be out of town.)

Peggy mentioned that funds are needed to cover the costs of printing, stamps, and Meet the Candidates Night refreshments. Board members indicated that the election costs (printing, stamps, etc.) are billed to the PAC fund.

Desiree made a motion, which was seconded, for funds for refreshments, not to exceed \$100. Motion passed 5-0.

2. MVSC election progress (Bill Davis)

Bill Davis indicated he has not received any calls about the MVSC election. No one has stepped forward. The Board will probably keep the same members.

F. NEW BUSINESS

1. Motion: Approval of items added to the budget by the Wish List Committee (as proposed by MarVal, HOL and individual residents)

Jay indicated the motion to approve the items to be added to the budget by the Wish List Committee, as proposed by MarVal, HOL and individual residents.

Desiree asked what the items are. Jay responded that MarVal has requested a refrigerator be included, the main Ballroom painted, the curtains in the main Ballroom fixed, the rod adjusted so that the center of the auditorium stage is free, the Ladies bathroom be painted and upgraded, and a dozen round tables be provided. HOL has requested personal lockers for the Men's and Women's changing rooms, a better/safer light fixture in the Fireside Room, improving lighting along the walkways, and to redo the walkways around the park area for a nonslip surface.

Desiree asked about the process. Jay responded he and Larry provided the City with the list. Jay is now providing details as to what the City has indicated will go forward. PAC can vote to approve it, or not vote to approve it and ask them to change it. Larry added that the City basically said PAC/residents can spend \$20,000 on Wish List items, not including MVEST expenditures (MVEST is a separate item). If PAC wants more than \$20,000, PAC can petition the City.

Tom asked that the following topic(s) be added to next month's agenda. Regarding the recent PAC budget meeting at the Park, there should have been minutes for the benefit of the residents. Second, there needs to be a process. Jay acknowledged,

concluded and noted it is on next month's agenda so that a formalized process can be discussed further.

Jack Brandon commented that it is the point he made when he previously spoke. It was a meeting advertised to the public, people came, and Jack specifically expressed the point about no wage increases for the seven years Jack has lived at the Park and about Matt being paid an equitable salary. Jack is surprised there is no document recording what people talked about during the meeting. He wasn't the only person addressing issues at the meeting. He feels it is the responsibility of the Board to record public comments at the public meeting and at 2x2 meetings, and for the Board to be a partner to the transparency it preaches.

Jay noted Jack's comments and responded the topic will be discussed fully at next month's meeting. Right now there is no procedure, the process this year and last went forward haphazardly, and they want to put an end to that.

Jay asked Desiree to read through the list provided by the City so the Board can vote on it. Desiree noted: There is \$19,500 currently in the budget and it includes the refrigerator, a dozen 5-ft. round tables, personal lockers for the Men's and Women's changing rooms, treadmill, stairstepper. The City has indicated a budget of \$20,000. Additional items include: painting the Ballroom for \$1500, fixing the curtains for \$500, pathway lighting for \$1400, which equals \$3400 (for the three items).

Desiree indicated adding \$3400 to the \$19,500 currently accepted by the City for the budget. She noted the rest of the Wish List items are either in the MVEST budget, crossed off the list (television), or included elsewhere (i.e., redoing the walkways is an ADA project; gas shutoff valves cannot be on the Wish List because the work is more complicated than that; upgrading the Ladies bathroom is ADA). The community wants to include the items costing \$3400, so Desiree indicated she is happy to vote for them and the total. The total would then be \$22,900.

Regarding the \$3400, Matt responded they are all legitimate costs.

Desiree will put the items up on the website.

Jay made a motion, which was seconded, to add the \$3400 items to the \$19,500, to be presented to the City for inclusion in the budget.

There were no additional public comments.

The motion was voted on and passed 5-0.



Jay will send email to Cathy Capriola, indicating the PAC Board would like the \$3400 items included in the budget.

2. Motion: Approve City's Timeline Requirements for Rule Changes (Jay)

Tom wondered what precipitated this agenda item. Larry indicated the Clubhouse and the Tree/Shrub policies are being changed. Jay responded that before rules go into effect, homeowners need to be notified and allowed time to comment before the rules take effect. Mike Hagerty mentioned there is a period of time before a rule goes into effect. Jay mentioned the rule goes into effect either 60 days or 6 months (depending on circumstances) after being passed by the City Council.

Jay made a motion, which was seconded, to acknowledge and approve the City's timeline requirements for the rule changes.

Nancy described her frustration over how much more complicated and lengthy the process turned out to be than how it was initially described by the City.

Peggy Hill commented that the second line is confusing ("...with the homeowners in the park, their representatives or bother upon written notice given to the homeowners..."). Mike Hagerty wondered if "bother" was misspelled and should be "other."

Tom would like clarification from the City as to why the City is doing this now. If the Board is going through the rule amending process now, would it not make sense to look at the entire rules as a package. Instead of doing it piecemeal, why not put a committee together and look at them all.

Desiree responded to Tom's comment/question that it wouldn't be viable because there are no other policies the Board is looking at to amend. Tom's suggestion would greatly hold up the approval process.

The motion was voted on and passed 5-0.

3. Motion: Approve City's proposed changes to Clubhouse Use and Events Policy (Jay)

Jay reviewed where the policy stands at this point. There have been public comments and input by the Boards, and review by the City and its legal team.

Peggy Hill commented that some of the language used in the policy is confusing. It should be written clearer.

John Feld wondered if residents want outside organizations to use the Clubhouse. Why allow outside organizations to use the Clubhouse. Also, is the restriction that only four Thursdays, at max, per year is available to outside organizations, or is the limit four per organization? Desiree responded that no organization can have more than one event per year. Jay clarified that only four Thursdays per year are available, total.

Ray Schneider wondered how much deposit and insurance would be required for private events. Matt clarified that if there is no alcohol served, no insurance would be required. If alcohol would be served, the contract indicates how much deposit and insurance would be required.

Sandee Duncan mentioned she has lived in the community for over 14 years and on the MarVal Board for ten. She knows of only two outside organizations that have used the Clubhouse.

A motion was made and was seconded to approved the City's proposed changes to the Clubhouse Use and Events Policy. The motion passed 5-0.

4. Motion: Approve City's proposed changes to Tree and Shrub Policy (Jay)

Jack urged the Board not to approve the rules. First, there is no mention in the policy about conserving water. Second, in the four pages of rules, fire safety is not mentioned until the very end. Additionally, Jack believes this is an unenforceable rule. In regard to the paragraph that talks about action by residents, Jack described the embankment next to his house and the impossibility of surveying and removing the plants, 80% of which probably pose a high risk of fire safety.

Tom commented there is nothing in the policy about enforcement or penalties. Without any teeth, how will the rules be enforced. Matt mentioned violators would probably be given a stern warning.

Bill Davis mentioned if someone violates the policy, that person sets themselves up to be evicted.

Peggy Hill commented she is saddened that there is nothing included about view preservation. It even sounds like a resident cannot approach their neighbor to negotiate such matters or help. Jay responded that management is available to handle such matters. Mike Hagerty added that rules about view preservation were originally included but the City removed the rules.

Diane Brandon mentioned that it does state if something is a fire hazard the organization can step in. The tall banks of juniper in the Park could make it difficult for the fire department to get past. She doesn't feel the policy precludes making good decisions about fire safety.

Jay called for a vote on the motion, which was seconded, to approve the City's proposed changes to the Tree and Shrub policy. Motion was voted on and passed 5-0.

5. Motion: To cut City's proposed rent increase to 0% and, if passed, to authorize PAC to write a letter to City Council members and staff, explaining our position (Larry Cohen)

Larry mentioned the motion consists of two parts. Both Al Frei and City staff have recommended a 2% rent increase for this year, starting January 1. Larry doesn't believe it is necessary. The Park/City is going to have to get a multi-million dollar loan at some future point to pay for infrastructure work. The rent increase isn't going to make a difference to the loan. Currently, the average resident is paying around \$172 per month towards the current loan. When the loan is paid off, there will be a significant decrease in what residents pay, but this decrease won't help low-income residents now. Low income residents would still be impacted by the 2% rent increase.

Larry feels there should be no rent increase and that PAC should approach the City with that view.

Tom acknowledged that the 2% rent increase wouldn't significantly help with infrastructure costs, but he noted the importance of a middle ground scenario that includes a smaller rent increase to generate a rainy day fund to help lessen the impact of the large infrastructure loan. He supports Larry's theory regarding the negative impact of a rent increase on the low income residents, but he feels the City would not accept zero.

Mike Hagerty commented that when the current loan is paid off, the rent would not be going down. The \$172 would go towards the infrastructure budget.

Jay mentioned that most of the low to moderate income residents are on fixed incomes. Continued rent increases will eventually price these residents out of the market and Park. Currently, there is a \$3 million fund for safety, which is enough for present needs. Jay doesn't think it is the right time for raising rents. He supports Larry's proposition of no increase.

A resident urged the Board not to price low and very-low residents out. He feels it is morally wrong.

Jay mentioned if the PG&E infrastructure project goes through, it could save the Park around \$2 million, but he admitted he doesn't know if the PG&E pilot program will occur and when the infrastructure work would otherwise be needed.

A resident mentioned that if there is an estimate of how much would be needed for the infrastructure work, the Park could plan to build a reserve for that work. It would be imprudent to ask for no rent increase without a plan. We don't know what will happen with PG&E.

Desiree likes the idea of a very small increase because it wouldn't be fiscally prudent. She is happy to prepare a spreadsheet to support this view.

Jay mentioned the next PAC meeting occurs before the City Council meeting. The Park will learn this month if PG&E will include it in their pilot program. Jay suggests tabling the motion until next month. Meanwhile, Larry and Desiree can work on a letter to the City and include financial backing.

Board members agreed to table the motion until next month.

6. Motion: To request that the City add another ownership option to their study—To retain City ownership of MVMCC, but to grant us a 99-year lease or similar security (Mike Hagerty)

Mike Hagerty requested that consideration of this agenda motion be moved to next month's agenda.

7. Determination of next meeting date

The next meeting will be: **Saturday, June 6, 2015, 11 am.**

## G. REPORTS FROM OTHER BOARDS

1. HOL

Nancy Bingham provided the following update:

- The HOL election nomination period is closed.
- Volunteers are needed for HOL committees.
- No one signed up for the May 30 CPR class so it has been moved to June 27.

2. MAR VAL

Three MarVal events will be occurring soon:

May 25: Memorial Day party

June 13: Brunch with live jazz

July 4: BBQ

3. MVSC

No report.

H. ADJOURNMENT

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

Meeting adjourned at 9:16 PM.