

FINAL Meeting Minutes

PARK ACQUISITION CORPORATION

Regular Meeting

7:00 PM

Wednesday, May 7, 2014

Fireside Room, 100 Marin Valley Drive, Novato, CA

ATTENDEES:

- Board Members: Jack Brandon, Larry Cohen, Tom Miller, Jim Olson, Jay Shelfer
- 18 Non-Board Residents
- Recording Secretary: Susan Windman

A. CALL TO ORDER: 7:07 PM

B. APPROVAL OF FINAL AGENDA

Larry Cohen made a motion, which was seconded, to move discussion of agenda item D-2 (Consent Calendar: Approval of minutes from April 2, 2014 Regular Meeting) to agenda item G-4, and to approve the final agenda with change.

Jack asked the reason for the motion. Larry responded that he will let the motion stand on its merits. No other discussion.

Motion voted on and approved 4-1 (4 ayes, 1 abstention by Jack Brandon).

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

- Erma mentioned the new “Echo” will be coming out June or July, with Matt as Editor. She mentioned there are advertisers who need to be given sufficient notice and also that the publication has a different format. She commented there should be solicitation for content by residents.

Jim responded the new Echo is in the budget for the next fiscal year, which starts July 1. The first issue would probably come out in August and material for it probably collected in July.

- Connie Marelich does the ads for the Echo. She mentioned she understands the new Echo will have up to 16 pages, with ads.

Connie indicated interest in seeing the maintenance reports and is hoping they include

the air conditioning and ramp. She's also interested in the Clubhouse event policy, and in agenda item #12.

- Nancy Bingham indicated that HOL badly needs help from residents.
- Jay mentioned he spoke with the SMART train public information officer about the pedestrian/bike path that would run near the train tracks. The path would be located on the east side of the train track along the City/TPL land. The path starts about 300 yards away from the trestle. He believes it goes along the street sidewalk from the Safeway area and then cuts back over to the east side.

D. CONSENT CALENDAR

1. Receive and Approve Corrected Minutes of March 5, 2014 meeting.

Motion entered and seconded to receive and approve the corrected March 5, 2014 minutes. Motion carried: 5-0

2. Approve Minutes of April 2, 2014 meeting.

Discussion of this agenda item has been moved to agenda item G-4. For additional details and the motion, see agenda item B (Approval of Final Agenda).

E. REPORTS

1. PAC Treasurer's Report (Larry Cohen):

PAC Final Balance	\$5,696.10
PAC Actual Balance	\$2,406.60
Humanitarian Fund Starting and Final Balance	\$3,289.50
Total Spent Current Fiscal Year	\$2446.33

2. MVMCC Administration and Finance Report (Jay Shelfer)

Jay mentioned that the Debt to Service ratio year-to-date is currently at 2.81, well above the 2.0 needed to be maintained so the Park is in good shape.

3. Maintenance and Capital Projects (Jim Olson)

Matt Greenberg is out for a while longer, so Jim provided a report:

- The spa work is done.

- The banner display area is finished.
- A deep cleaning process is being scheduled. All the tiles in both bathrooms have been steam cleaned.

Other:

Jay has been indirectly involved with the Koi pond, which has a lot of algae. Matt started the project by installing a new filter, but it hadn't been run 24x7 as needed to function properly. It will take around ten days to two weeks for the water to clear.

Jack asked if the steam cleaning in the bathrooms has abated the mold problem. Jim responded that the problem was abated but the area will be addressed further during the ADA work.

4. City of Novato (Jim Olson)

Jim provided updates from his discussions with the City of Novato:

- Traffic enforcement has started.
- Regarding painting the speed limit on the roadway – The City indicated they would have to do it, but they also mentioned they haven't found it particularly effective.
- Regarding the road that goes up to the water tank where people park – There is no parking there. Two “No Parking” signs (with arrows) installed would allow police to ticket violators.
- Regarding the PAC Board letter to the City Architect, with Jack's additions – The letter was delivered to Cathy and was then given to Julian. Included was a proposal to incorporate an outside ramp into the ADA work.
- Regarding the contract with the City and Al Frei – The next contract review is October 2017. Before that time, particular contract issues can be brought up at 2x2 meetings. Tom mentioned he thinks the current delegation agreement includes a window around December 15, 2014, during which time the agreement can be amended. Tom thought PAC should bring up any issues, talk with the City and get processes going before that date.
- 15% taken out of Park funds each month by the City – Every month, PAC receives a report from Al Frei. Tom noticed the cumulative total for the year is short 15% and he decided to look in to this further. He discovered 15% taken out each month.

Tom spoke with Cathy/Novato and she indicated the funds were placed in a separate contingency fund for bank fees/charges, (loan) interest, etc. Tom wondered why the Park would be paying such bank fees/charges, with the large amount of Park money deposited in the bank. He also indicated PAC has never

seen an accounting of the fund and doesn't know what the current total of the fund is. Additionally, there's nothing in the monthly statement that shows reduction of the 15%.

Jack mentioned that in his April 24, 2014 letter with comments/questions, attached to the recent PAC Board letter to the City, Jack wrote the following: "...The 15% assessment we are charged by the City of Novato is not shown anywhere in the budget, nor the expenses which are allocated against those funds throughout the year." Jack added that at the least he feels it is inappropriate that PAC has to go exploring and asking for an accounting of it and disrespectful of how to handle the money and reporting back to PAC about it.

A resident asked what the approximate Net is. Tom responded that the Net this past month is actually negative because the \$250,000 for the TPL land purchase somehow came out of the Net rather than the Reserves. Tom plans to ask about it. This month, Net is -\$187,000 (minus \$187,000). Without the TPL land purchase taken out, the Net would have been around \$70,000 (less after 15% removed). The monthly Net goes up and down. The lowest has been around \$21,000 (during a time Matt had a lot of project catch-up to do) and the highest around \$133,000. Tom mentioned he doesn't know what the bank fees are, but recognizes that 15% is taken out each month for the fees, etc.

A resident asked how long the 15% has been taken out. Tom responded he doesn't know but that he has noticed it in statements six months back.

Jim thought the topic might be good for the next 2x2 meeting, and other Board members concurred. The questions are: where is the money going and what is it being used for.

- Computers – Cathy mentioned the City is getting rid of their four-year-old computers and she might be able to send some to the Park office. The computers at the Park office are very old.
- Novato City Council meeting (primarily to discuss the Budget) will occur at the Park on June 3 (Tuesday). This date is also Election Day, and the City has asked to use the Ballroom for their meeting and for the Fireside Room to be used for the Election.
- City of Novato Fire Protection District – The Marin Civil Grand Jury came out with a report on the District – “Novato Fire Protection District Board: A Cautionary Tale.” The report can be accessed through the Marin County Civil Grand Jury website.

5. Input for next 2x2 meeting (Jim Olson)

The following topics were suggested for the next 2x2 meeting:

- Jay would like to see details about the Park financial statements – how the financial statements are prepared, what goes in to the accounts, and when/where the statements are available for review by PAC and residents. When the Park bonds were refinanced, the accounting was changed and put in to the hands of Brian Cochran (City of Novato). PAC has never seen a review of the statements and doesn't know how the City is going to account for the project here. Jay wondered if Brian would be available to meet and explain the figures.
- Jim entered on the list that PAC would like an accounting of the 15% that is taken out each month.
- Tom would like more information about two of the bylaws, set out by the City for PAC, that raise questions to him. Through his reading of them, it seems PAC has a lot of latitude and it seems to run counter to what's in the management contract and delegation agreement. Tom would like to know which one takes precedence. The two bylaws are in Article 2 (Purpose), Section 1.

The first bylaw of interest under Section 1 is (a), which focuses on maintaining the “affordability of the Park for residents and lower income residents.” Tom would like to know how to do that – maintain affordability.

The second bylaw of interest is (d), which mentions to “negotiate with the owners and/or managers or any designated representative thereof on issues that affect the quality of life of the Country Club.” Tom would like the bylaw spelled out and would like to know what PAC can/can't negotiate, and what level of accountability PAC can oversee on the people with whom PAC is dealing.

6. Report: MVMCC 2014-15 Budget Process (Jim Olson)

The final budget will be approved June 3. Meanwhile, the City is still reviewing budget items. PAC will probably get the final budget a week before June 3 and Jim will then post it.

Jim provided the following up-to-date details as to budget changes made by the City (after receiving PAC's “Wish List” requests):

- The MVEST fund has been greatly reduced to \$5500 total. Jim suggested to the City that the Park wouldn't like that reduction. The City responded that it was good for residents to speak at the City Council meeting, because at that meeting the City Council can change anything. Jim mentioned at tonight's PAC Board meeting that residents need to show support for MVEST once the final budget is released to PAC. He suggested doing so through emails and letters sent to the

City Council immediately after the final budget comes out, and making presentations at the City Council meeting.

- The City does not recommend the entrance camera, but recommend that PAC research it more and develop it over the next year.
- Matt's raise has been reduced to \$70,000 (instead of \$75,000).
- The election costs will be coming out of the PAC Board's \$4000.
- Probably won't get the refrigerators this year.
- There were several comments from Management and the City indicating that how Al runs his business is his business, not the Park's business. PAC won't be getting a breakdown of Al's fees.

Jim posted the questions that had been sent off to the City, including Jack's letter, for residents to read. When Jim receives a final copy of the answers from the City, Jim will post it.

Board members and residents discussed possibly having an additional PAC Board meeting after receiving the final budget from the City, before the City Council meeting occurs. Jim commented that the PAC Board has already submitted its input and that probably the most effective method of communicating with the City Council is with a lot of resident input via letters, email, presentations.

7. Report: 2014 PAC Board Election (Larry Cohen)

There will be three open seats up for election. As of now, there are four candidates – Jack Brandon, Jay Shelfer, Mike Hagerty, Desiree Storch.

The nomination period stays open until Saturday, May 10, at 5 PM. Next week, the ballots will be printed and mailed out. On May 19 will be "Meet the Candidates Night" at 6 pm. The voting period will be May 27 through June 6. Ballots will be counted and election results determined on Friday night, June 6. The new Board members will be seated at the PAC Board meeting on June 7 (next scheduled PAC Board meeting).

Peggy Hill will be in charge of "Meet the Candidates Night" and needs help with that event. Help is also badly needed counting the ballots.

8. Report: Clubhouse Event Policy Committee (Jim Olson)

Jim just received information back from the City on the Clubhouse Events policy issue and will post it on the PAC bulletin board. Jim wasn't able to include the topic on tonight's Agenda. The Clubhouse Events policy has been developed with HOL president, MarVal president, Management and Jim/PAC. It was proofed and OK'd

by City staff and by Veronica. The City has to approve any changes to Park rules and regulations. Jim mentioned he would like the other two boards to review what the City sent back before the PAC Board approves it at the next PAC Board meeting.

Once the PAC Board approves it, PAC will then send it to the City Council for their approval. It would then be sent to Management to begin the process of implementation.

9. Report: Tree/Shrub Policy Committee (Jim Olson)

Jim received information back from the City on the Tree/Shrub policy draft sent much earlier to the City. Jim will post it on the PAC bulletin board. He wasn't able to include it on tonight's Agenda. The Tree/Shrub policy was developed with Nancy, Jim/PAC and Matt, and a lot of input by residents. There are two parts to it. The first is the actual policy, which PAC would have to approve to get it started and which couldn't be easily changed again without going through the City again. The second part describes how the policy is administered. This part has been developed so it can be a local implementation addressing the issues seen at the Park.

Once the PAC Board approves the Tree/Shrub policy, PAC will then send it to the City Council for their approval. It would then be sent to Management to begin the process of implementation.

10. Report: California Climate Credit and MCE (Tom Miller)

Tom mentioned that in April each Park household was allotted a \$29 energy credit by PG&E. The credit is scheduled, so far, to occur twice a year. The Park gets the credit per household (\$29 x 315 households). Tom went to the PG&E website – the Climate Credit Resources page – and downloaded the Q&A page. Tom found the website information very interesting and will leave a printed copy at the front counter for residents. Further information is available at:

<http://www.cpuc.ca.gov/PUC/energy/capandtrade/climatecredit.htm> .

11. Report: North Marin Water District, Conservation Ordinance (Jim Olson)

The North Marin Water District passed an emergency water conservation ordinance, which asks reductions in water usage. The ordinance suspends new connections to the district's water system, and it prohibits the wasting of water and the non-essential use of water. Wasting of water includes: "(a) permitting water to escape down a gutter, ditch or other surface drain; (b) failure to repair a controllable leak of water." The ordinance has four levels. The current level – "voluntary" conservation – asks

for up to 20% reduction in water use. Ordinance violators could potentially be disconnected from District water. Ordinance details are available at: <http://www.nmwd.com/pdfs/Novato%20Emergency%20Ordinance%20032814.pdf>.

Residents voiced concern about some of the ordinance restrictions. For example, how will a Park home be able to be painted if the exterior of the home can't first be extensively cleaned via powerwash or other method? Jim responded that what needs to happen is to encourage a dialogue between the Management and the Water District about what really has to happen at the Park. Meanwhile, if residents have particular questions, they can call the Water District directly. Nancy mentioned that HOL would be glad to sponsor the District to come to the Park.

12. Discussion: Process How to make the PAC Board more responsive to requests/inputs by residents (Tom Miller)

Tom sought suggestions from residents on how the PAC Board could be more responsive to requests and input by residents on the various issues covered each month. For example, even though the Board has communication constraints from the Brown Act and the delegation agreement, PAC still has flexibility regarding holding (special) meetings, etc. Regarding resident communications with the City and PAC, the PAC meetings are recorded and the meeting minutes go to the City. Residents can additionally request topics to be presented at a 2x2 meeting in which the City is directly involved (two Board members and two City representatives attend the 2x2 meetings). Tom wondered if more PAC meetings on important issues might be a good idea.

Jim responded that he thinks the Board is doing a good job. For example, the outside ramp is moving forward due to PAC's persistence and also the help of HOL. Jim added that what the PAC Board can do is get residents to understand that PAC is available to them. That the system can work for the residents, and to come to PAC as part of that system. Jim mentioned that it's the resident input that the PAC Board needs to receive. Jack mentioned PAC could do a better job at publicizing its special meetings and events to residents.

A resident mentioned it would be very helpful if the PAC meetings moved along faster. Other residents at the meeting concurred. A resident suggested placing time constraints on comments. Jim mentioned that once the Board completes the Budget and Policy tasks, the meetings likely will not be as lengthy.

F. GENERAL BUSINESS

1. Discussion/Action: Approve the HOL's recommended change to Park Rules and Regulations (Peggy Hill)

Peggy Hill, for HOL, presented a recommended change to the Park Rules and Regulations. The proposal was first discussed at HOL's March 19, 2014 meeting. It received unanimous approval in favor of sending the revised statement to the PAC Board for consideration. The recommended change was previously mentioned at the April 2, 2014 PAC Board meeting by Peggy, during the Public Comments period.

The recommended change would make the current Objective in to more of a Mission or preamble statement.

The recommended change:

“MVMCC RULES AND REGULATIONS Mission Statement

Marin Valley Mobile Country Club, a fifty-five plus retirement community, affords the Residents a beautiful, serene, and peaceful setting as well as neighborliness and the enjoyment of the sounds of nature in a quiet setting.

Because the homes in MVMCC are in close proximity to each other and because the natural environment, serenity, and neighborliness are important to the Residents, the following rules are designed to provide the Homeowners, Residents, and Guests with a healthy, safe, clean, quiet, and attractive Park.”

The current Objectives statement:

“It is the objective of PAC to provide to the Homeowners, Residents, and Guests a safe, clean, and attractive park.”

Larry made a motion, which was seconded, to approve HOL's recommended change to the Park Rules and Regulations.

Peggy commented that the proposed change is just a preamble intended to help prospective and new residents gain a better understanding of the Park. She mentioned that she knows it would not be something that would be enforceable.

Jim described the very lengthy process needed to make changes to the Park Rules and Regulations. He indicated his concern about proceeding with the change, especially since nothing is actually changing – so why go through the lengthy process. He felt

there are words used, such as “quiet” and “neighborliness” and “healthy,” that need further evaluation/definition, and that the Park residents are also living as a “community” and that that word and others might be important to include. If it’s intended to be a general statement, then Jim thought it needs to be looked at further and made nice and broad. Jim feels the proposal by Peggy needs additional analysis and rewriting by HOL.

A different Board member mentioned that all the Rules probably need to be reviewed, so perhaps it is time to review other rules and do it all at the same time rather than go through the lengthy process over and over again. He thought maybe a process involving a committee of residents and HOL could be set up for this.

Jim agreed but indicated his concern about the enormity of such an effort. In his opinion, the best approach would be to pick out six or seven (of the most egregious) in the document and get that done. His fear is that if all the rules are tackled at one time, it will become a complex effort and none of it will get completed.

Gary Appleman mentioned that rules and regulations in general are enforceable and that a preamble isn’t included in with rules. Also, Management is the party who has to enforce rules and regulations, and there has been no input about the proposal from Management (Matt is out on sick leave). Gary proposed the idea of tabling the motion until Matt returns in two months.

Gary mentioned that the Park is owned by the City. When he moved in to the Park, Gary signed one set of rules. If the current proposal passes, new residents will sign a new/different set of rules (i.e., different contract documents from what Gary signed) and there will be two classes of residents created sharing a similar situation – which is not do-able, legally.

Jim responded that the process doesn’t involve Management until the last step, when Management is involved in implementing the last stages of the process. Management has the ability to say “no” at this point (through the terms of the contract). Jim also mentioned that part of this process is to notify the residents of the change.

Tom concurred with Gary Appleman and stated he feels Matt’s input is important. Matt knows what he can and can’t do, and there’s no point putting something in the Rules/Regulations that can’t be enforced.

Tom made a motion to table the current motion (to approve HOL’s recommended change to the Park Rules and Regulations) until Matt comes back. Tom’s motion was seconded.

Peggy mentioned that other homeowner associations must have faced this situation before and there must be some precedent for changing rules. Also, there might be things difficult to enforce, but large files can be kept with histories of violations. If so many rules have been flaunted, at some point we could start going after this person. Just because we can't enforce the rules all the time doesn't mean we shouldn't want this to be something for our Park.

Peggy asked if the topic can be presented at a 2x2 meeting.

Tom responded that although the topic is tabled doesn't preclude HOL from doing the research on this and putting something together that can be presented to Matt. It doesn't stop the process.

Motion carried 3-2 (Jack Brandon, Tom Miller, Jay Shelfer voting Aye; Jim Olson and Larry Cohen voting against tabling the original motion).

2. Discussion/Action: Approve Tom Miller as the PAC Board's liaison to the City regarding MVMCC insurance. (Jim Olson)

A motion was made, and seconded, to approve Tom Miller as the PAC Board's liaison to the City regarding MVMCC insurance. Motion carried 5-0.

3. Discussion/Action: Authorize the Election Committee to spend PAC funds for food and miscellaneous supplies, not to exceed \$200 (Jim Olson)

A motion was made, and seconded, to authorize the Election Committee to spend PAC funds for food and miscellaneous supplies, not to exceed \$200. Motion carried 5-0.

4. Determination of next meeting date

Annual Meeting: Saturday, June 7, 2014

NOTE: The Novato City Council meeting will occur at MVMCC on Tuesday, June 3, 2014 at 6:30 PM.

G. REPORTS FROM OTHER BOARDS

1. HOL

Nancy mentioned HOL will be holding their elections on the third Wednesday of this month. She also indicated HOL needs help from residents and is especially looking for someone with a little business background who can take on the Treasurer position.

Regarding upcoming events:

Art-in-the-Park is occurring on May 17.

Late May, an AARP driving course will be offered.

2. MAR VAL

No report.

3. MVSC

No report.

4. Correction and approval of minutes of April 2, 2014 meeting

(NOTE: Discussion of the April 2, 2014 minutes, previously agenda item D-2, was moved to G-4 by consensus of Board members.)

Jack requested the following corrections be made to the April 2, 2014 minutes:

- Towards the end of D-2 (Consent Calendar) -- Insert the following standalone sentence (indicated in bold below) after the paragraph that ends with “Thank you”:
Board Chair Olson declined to act on this request.
- At the bottom of page 5 (within E-5, Preliminary Budget Meeting and Process), append the following (indicated in bold below) to the end of the second bulleted item under “Budget details discussed during the meetings include.”
Matt’s starting salary for next year will be \$75,000, **a \$15,000 (25%) increase from \$60,000. Since Matt started at \$45,000, this actually represents a 66% increase which is excessive.**
- On page 6 (within E-5), change the sixth bulleted item as follows (inserted words are bolded):
The water cooler (**costing \$400-500/yr**) is getting budgeted in next year’s budget instead of the bottled water (**costing \$864/yr**). The water cooler is coming in around July 1 and will cost **less than** the bottled water for the year (**and is a one-time purchase**).

- On page 8 (within E-8, 2014 PAC Board Election), make the following change (indicated in bold below) to the first paragraph, third sentence:
“...and Jack has stated **he is uncertain if** he will run.”
- On page 13 (within F-4, Approve Recommendations from Wish List Committee), append the following sentence (indicated in bold below) to the second paragraph (that ends with “...is a deterrent”):
Jack requested from the Novato Police Department if they could provide information about the number of burglaries in Marin Valley.

An additional correction was noted by a resident:

- On page 13 (within F-4), in the paragraph that starts with “Nancy,” change “Nancy” to “Serena.”

**Motion made and seconded to accept the April 2, 2014 minutes, with corrections.
Motion carried 5-0.**

H. PAC BOARD MEMBER COMMENTS

No comments.

I. ADJOURNMENT: 9:35 PM

Motion to adjourn entered, seconded and passed: 5-0

J. REQUEST TO RECONVENE: 9:39 PM

Jack Brandon asked that the PAC Board meeting be reconvened.

Jack requested that a draft of the minutes be sent to Board members before the meeting and that they be posted by at least 72 hours before the meeting. Jack also requested that he receive a copy of the minutes when the recording secretary completes them.

Jack asked that this topic be placed on the next agenda.

H. ADJOURNMENT: 9:46 PM

Motion to adjourn entered, seconded and passed: 5-0.