

FINAL Meeting Minutes

PARK ACQUISITION CORPORATION

Annual Meeting

11:00 AM

Saturday, June 4, 2016

Fireside Room, 100 Marin Valley Drive, Novato, CA

ATTENDEES:

- Board Members: At start of meeting--Larry Cohen, Mike Hagerty, Peggy Hill, Jim Olson. Jay Shelfer was absent due to an emergency. During Jay's absence, Peggy Hill chaired meeting. After election results were read (agenda topic E-1), David King and John Hansen joined the Board for the rest of the meeting as new members, and Mike Hagerty and Jim Olson stepped down.
- 18 Non-Board Residents
- Park General Manager: Matt Greenberg
- Recording Secretary: Susan Windman

CALL TO ORDER: 11:04 AM

A. APPROVAL OF FINAL AGENDA

Motion was made and seconded to approve the final agenda. Motion was voted on and passed: 4 ayes, 0 nos, 1 absent (Jay Shelfer).

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

- David King read from a document he wrote regarding rent increases and the long-term infrastructure (LTI) project:

I have talked to about 15 people about having rent increases every year to pay for the LTI. No one wanted a rent increase, not one, not for any reason. Only two people understood the cumulative effect of the rent increases and they did not understand the extent of the cost. The fact is if you pay \$650/month in rent at the end of 10 years you would have paid \$7,400 in rent increase dollars over your base rent of \$650.

No one understood that every MH owner has already contributed approximately \$10,000 towards the LTI (that is the approximate \$3M in long term reserves that will exist at the end of this month) nor the fact that the budget under spending (per trends) will add another approximate \$5,000 per each MH to the LTI cost. So all told in the

next 10 years before ground may be broken every MB owner will have contributed between \$20,000-\$25,000 to the LTI cost. Using a cost from the high end of the estimated cost of the LTI (which would be approximately \$30,000/MH), every MH owner will have paid from 70-90% of the total cost of the infrastructure. Way beyond their proportional use that they will get of the approximate 40 years that the infrastructure will last. The LTI will outlive most of us considerably.

There will be an article in the Echo in the coming months explaining these finances in hopefully simple terms.

I also will be presenting a document to the City Council at the Budget meeting here at MVMCC titled "Guide to the Need for MVMCC Rent Increases." I hope to get that document in advance to the City Council members and staff by early next week.

C. CONSENT CALENDAR

1. Receive approved minutes of April 6, 2016 meeting.

Motion made and seconded to receive the approved April 6, 2016 minutes. Motion voted on and passed 4 ayes, 0 nos, 1 absent (Jay).

2. Approve minutes of May 4, 2016.

Motion made and seconded to approve the May 4, 2016 minutes. Motion voted on and passed 4 ayes, 0 nos, 1 absent (Jay).

D. REPORTS

1. PAC Treasurer's Report (Larry Cohen)

Larry presented the following PAC Treasurer's report:

PAC Final Balance	\$6,095.63
PAC Actual Balance	\$2,556.13
Humanitarian Fund Starting and Final Balance	\$3,539.50
Total Spent Current Fiscal Year	\$3,061.24

2. MVMCC Administration and Finance Report, and report of Finance Committee (Peggy Hill, Larry Cohen, David King)

Peggy looked over the monthly management report. She didn't see anything greatly unusual. Major recent expenses have focused on the swimming pool. She wants to look further into the gas/electricity pass-throughs, and she will be emailing Brian Cochrane about it and then reporting back.

David King summarized the Finance Committee's meeting with Brian Cochrane: David indicated Brian agreed that for Operating and Capital Expense there is no reason to raise the rents. DSCR still need to be covered, as the meeting was cut short. The main reason for the rent increase is Long Term Reserves for the infrastructure replacement and it seems with the City staff's current information that they will vote to raise rents. Brian and David were brainstorming to see if there are alternatives to relieve City staff fears. The discussion of this got cut off.

Peggy added that she was also at the meeting and the City seems concerned about maintaining a fiscally-strong community. They don't want problems to happen with not enough money in reserves.

Larry mentioned the City agreed not to raise the rent more than 1-1/2%.

David King commented he doesn't think people understand the cumulative effect of the rent increases, especially on the low income residents of the Park. John Hansen commented that things just don't seem to add up, and noted fear and sloppiness with expenditures and transparency.

Larry indicated the City Council will be meeting at the Park on Monday, June 13, 6:30 PM and will be discussing the issue(s). It would be a good time for residents to make comments.

3. Report on 2x2 meeting (Larry Cohen, Jim Olson)

Jim summarized the 2x2 meeting held May 26. The meeting included Jim Olson (in place of Jay), Larry, Brian, Veronica and Matt (Greenberg). Topics included:

- Does the City currently have a position regarding the rent increase. The City indicated they do not yet have a position but appear ready to support some rent increase.
- Can the City show the infrastructure can be fully paid for with the rent increases. The City indicated that because the plan is so unclear at this time they aren't sure. The City isn't able to project anything yet. However, the City seems to feel the

more that can be saved, the less hassle it would be at the time of the project to obtain financing.

- Rent ordinance – The Park currently pays a fee (\$18K/yr) to protect Park residents from high rent increases by the owner, while the fee is paid to the owner (there seems to be a conflict). The City indicated they wear two hats. They are a municipality and they are the owner. The law provides no choice regarding the fee.
- What is the legal justification for paying MarVal’s insurance? There’s no reason why the insurance should not be paid and the City doesn’t need a reason (legally).
- Will the City be meeting with MVEST to clarify billed expenses and roles. The City replied that any business remotely connected to MVMCC requires legal involvement.
- When will the initial infrastructure plan be ready. The City replied that when it is ready (October?), it will be an extremely “broad brush” (i.e., very much a preliminary draft).

Meeting was stopped at 11:19 AM for a moment. Jay just arrived from his emergency. (Meeting attendees clapped.) Jay spoke briefly but did not join the Board for the rest of the meeting. Meeting continued at 11:22 AM.

- What is the status of the Long Term Ownership report. City wants to do the report along with the rent equalization report and hope to have them by end of the year (perhaps even October).
- Jim and Larry complimented the City on what seems to be a new process of including Park residents and management earlier and more (than what used to occur).
- Will there be a meeting for clarification of roles. The City thinks it is a good idea and still needs to be scheduled.
- Future plan for liaison with the City once a new City Manager is in place. Jim indicated lack of clarity as to impacts of upcoming changes in City management and staff.
- PG&E plans are supposed to be on the June meeting.
- Rules and Regulations and the new Park resident packet – They need to be done. No cost estimates of this, yet.
- New Park mobile home should be discussed at the June 13 City Council meeting held at the Park.

City staff Tony and Julian will be leaving the City for positions elsewhere. Their work on current Park projects has been completed.

PAC is required to approve the budget by June 15. Because the City Council meeting will be held June 13, a special PAC Board meeting will be needed on June 14.

Larry added that at the meeting the 3-year administrative costs issue will be discussed.

E. OLD BUSINESS

1. Report on PAC Election in May (Larry)

Four seats were open and there were four candidates, so no election was needed. Peggy Hill and Jay Shelfer will be continuing on the Board, Jim Olson and Mike Hagerty are stepping down, and David King and John Hansen are taking over Jim's and Mike's seats.

Larry thanked Jim and Mike for their excellent Board service. (Meeting attendees clapped.)

2. Seating of new PAC Board members and selection of officers.

Larry mentioned that three of the four positions are two-year terms. One position is a one-year term. Which seats fall into these parameters will be discussed next meeting.

Board members nominated and voted on officers. Jay was nominated/seconded as Board President. Board members voted: 4 ayes, 0 nos, 1 absent (Jay). John Hansen was nominated/seconded as Vice President. Board members voted: 4 ayes, 0 nos, 1 absent (Jay). Larry Cohen was nominated/seconded as Treasurer. Board members voted: 4 ayes, 0 nos, 1 absent (Jay). Peggy Hill was nominated/seconded as Secretary. Board members voted: 4 ayes, 0 nos, 1 absent (Jay). David King will be "At Large."

F. NEW BUSINESS

1. Determine special meeting on Tuesday, June 14, 2016, 7 PM, in the Fireside room, to approve the final MVMCC budget for 2016-2017.

The meeting would be to discuss and approve the budget given to PAC on June 13. All members of the community are invited.

2. Determination of next meeting date

The next meeting will be: **Wednesday, July 6, 2016 at 7 pm.**

3. Special Notice of City Council meeting in our Ballroom, June 13, 6:30 PM.

Novato City Council will be holding their meeting at the Park, in the Ballroom, on June 13 at 6:30 pm.

Comments from residents:

- Connie Marelich commented she is working with Matt regarding an elderly resident who is speeding too fast and disregarding stop signs. She thinks his license should be yanked.

G. REPORTS FROM OTHER BOARDS

1. HOL

HOL has a new Board that will take over on July 1. HOL just purchased furniture for the pool and will be purchasing a new computer for the library.

2. MAR VAL

Mar Val's brunch is next Saturday. July 4 is coming up soon.

3. MVEST

John Hansen spoke for MVEST. MVEST met in the morning. There is a very robust MVEST roster of involved residents. MVEST is working diligently with the City.

H. ADJOURNMENT

Meeting adjourned at 11:40 PM.