

FINAL Meeting Minutes

PARK ACQUISITION CORPORATION

Regular Meeting

7:00 PM

Wednesday, October 7, 2015

Fireside Room, 100 Marin Valley Drive, Novato, CA

ATTENDEES:

- Board Members: Larry Cohen, Mike Hagerty, Tom Miller, Jay Shelfer. (Peggy Hill absent.)
- 12 Non-Board Residents
- Park General Manager: Matt Greenberg
- Recording Secretary: Susan Windman

CALL TO ORDER: 7:06 PM

A. APPROVAL OF FINAL AGENDA

Motion was made and seconded to approve the final agenda. Motion was voted on and passed 4-0 (Peggy Hill absent).

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

- Cheryl Rebischung referred to the recent TPL land article in the *Echo*. Cheryl is hoping the land surrounding the Park remains undeveloped so Park quality of life can stay the same. She seeks clarification and reassurance about the zoning status change. She thought the land was going to be designated as open space.

Jay responded that the TPL land is currently zoned for residential/commercial use. There would be an exchange in land use with property in Hamilton (with park/recreation designation) so that the TPL property would then be designated for park/recreation use rather than residential/commercial. The Hamilton land would take on the residential/commercial use. Jay has no other details.

- Erma Wheatley mentioned there will be a dance on Saturday night, October 17. She commented that the dance is wonderful way to move around, exercise and enjoy yourself. This dance will feature music from twenty-thirty years ago. No alcohol will be served. It's for members only. On November 7, the Time Travelers will play. Erma thanked HOL for their sponsorship.

- Mike Hagerty received a request from resident Carole Gathman, who could not be present. Carole asks that a new PAC Board meeting announcement sign be created for the top of the hill – one that has bigger lettering (more legible) so all residents are able to read it as they drive by.
- John Feld mentioned that Park resident Bill Davis is running for City of Novato Fire Board.

C. CONSENT CALENDAR

1. Receive approved minutes of August 5, 2015 (budget) meeting.

Motion made and seconded to receive the approved August 5, 2015 minutes. Motion voted on and passed 4-0 (Peggy Hill absent).

2. Approve minutes of September 2, 2015 meeting.

Tom asked that the following correction be made to the September 2 minutes. In the third paragraph/second sentence under agenda item D-4, change the word “doesn’t” to “does” so the sentence reads “... it isn’t a standing committee, it does elect its own ...”

Motion made and seconded to approve the September 2, 2015 minutes, with the correction. Motion voted on and passed 4-0 (Peggy Hill absent).

D. REPORTS

1. In Memory: Acknowledging the contributions of Jack Brandon to PAC and the Park

Jay and other PAC Board members and meeting attendees offered condolences and paid tribute to Jack Brandon’s contributions to the Park and PAC Board. Jay called for a minute of silence.

2. PAC Treasurer’s Report (Larry Cohen)

Following is the PAC Treasurer’s report:

PAC Final Balance	\$5,677.59
PAC Actual Balance	\$2,138.09
Humanitarian Fund Starting and Final Balance	\$3,539.50
Total Spent Current Fiscal Year	\$ 796.86

Tom asked about the source of the Humanitarian fund. Larry responded that the fund comes from contributions and is different from the fund administered by Al Frei.

3. MVMCC Administration and Finance Report

Larry provided an update of the administration and finance report (Peggy is absent).

The debt-to-service coverage ratio is 2.91, well above the required 2.0. There is approximately \$4,023,000 available in different accounts for Marin Valley. Everything looks ok.

4. Maintenance and Capital Projects (Matt Greenberg)

Matt provided the following report:

- Large retaining wall project at 183 Marin Valley Drive is comprised of three separate walls. Matt received signoff from HCD for the rear wall. The lower, non-permitted wall is finished. The main 80 foot wall is in progress – the structural base is complete.
- The Fire Prone plant removal grant-funded project is finished. Replanting is in progress.
- Asphalt work on 10 driveways has been done. The work started last year to fill street cracks is being finished.
- Fireside Room beam repair work is in progress. Outside bracket work should be completed in around ten days. The large light in the Fireside Room has been removed. When the work is done, painting and lighting work will begin.
- In the Ballroom, the gable end exhaust vents are currently being replaced.
- Storm drains will be examined and cleaned throughout October.
- Drainage ditch cleaning at Club View will occur October 8.

5. Report of the 2x2 committee meeting on September 21 (Mike Hagerty, Jay Shelfer)

Action items carried over from last month are: (1) actual owner's expense this year vs. budgeted expense, (2) question regarding low-income residents creating reverse mortgages to pay for rent and utilities, (3) City Council meeting at the Park on October 20 at 6 pm, (4) Utilities master plan, (5) drainage repair.

Jay indicated some items were not covered during the meeting and will be discussed the next 2x2 meeting.

The following City meetings will be held at the Park Clubhouse this month:

- October 15 (Thursday), 5:30-6:30 pm. – There will be a public information presentation on Measure C with the City of Novato’s Finance Manager Brian Cochran and Assistant City Manager Cathy Capriola. If adopted, Measure C will continue the Measure F sales tax, but at the reduced rate of one-quarter cent. The revenues generated by Measure C will help protect quality of life services, including streets, parks, youth and senior programs, and police services.
- October 15 (Thursday), 6:30-8:00 pm -- Park management and the City of Novato will hold a resident meeting to meet with, receive comments and consult with Park homeowners and residents regarding proposed amendments to Park rules and regulations concerning landscaping and clubhouse use. Attending will be Park General Manager Matt Greenberg and Assistant City Attorney Veronica Nebb.
- October 20, 6:30 pm – There will be a City Council meeting to discuss Park business, including automatic gas shutoff devices, Park slope and drainage repair work, and the Utility Master Plan and award of contract.

Jay mentioned HOL was discussed at the 2x2 meeting. The HOL president attending the PAC Board meeting indicated that there is progress. She also mentioned HOL is hoping to hold a Meet The Candidates (for City Council) night on October 21 at 6:30 pm.

Issues discussed also include:

- Long term security and affordability (especially as a senior citizen mobile home park with low income residents) – City will look into this further.
- Reverse mortgages – City will investigate if mobile homes need a fixed foundation in order to qualify.
- Section 8 housing

Mike is looking for volunteers to help him investigate the above issues further, including where to go to find good reverse mortgages. Contact Mike to help out.

Other topics discussed include:

- Setting up an unofficial resident “buddy” system, especially important for residents living alone.
- Drainage repair – Jay gave his appreciation of Matt’s work and the City’s, especially in light of the El Nino and potential for flooding.
- Master Utility Plan – Company which did the survey/assessment work several years ago may be selected to do the current work. The topic will be discussed at the upcoming City Council meeting.
- Comcast contract – The contract has been cancelled, as of December 1. All residents will get written notice, including available options.

- Gas shutoff valves – The City is considering putting in a check valve, which is a simple one-lever way of shutting off the gas in an emergency. Currently, gas shutoff requires two wrenches to shut off the gas.
- Rent Differential Committee is planning to come make a presentation to Park residents about rent differential in the Park.
- Park rules/regulations – The City is planning on redoing all of the rules/regulations and then presenting them to Park residents for comments.

6. City of Novato (Jay Shelfer)

Several City of Novato meetings will be held at the Park during October. See Agenda Item D-5, above, for details. Meeting details will be posted on the board and on the website.

E. OLD BUSINESS

1. The Budget Committee and how the budget procedure will operate in the future. Includes instructions to Management regarding participation in residents' budget requests and future planning for MVMCC. (Jay)
2. Consider forming a subcommittee on Finance and Accounting for PAC (Jay). Include questions from Tom regarding access/cost/interpretation of Bryan's/Frei's recommendations and procedures, the party(ies) qualified to evaluate and recommend changes to same, and avoiding infringing on the 2x2 and HOL's duties (Jay, Tom)

Jay mentioned that previously there was discussion about a Budget Committee to review the Al Frei management reports (financial statements) of the Park. Jay provided an updated proposal for the operations of such a committee. He indicated it could be voted on at the next PAC meeting.

Tom asked Jay for clarification -- Is the Budget Committee and Finance Committee one in the same? Mike had the same question. Tom also wondered who is proposing the new committee. Larry responded that regarding the committees, they are one of the same.

In response to Tom's question about the purpose of the proposal, Larry added that there actually is a Budget Committee, which is part of the budget meeting in April with management and City staff. He is just adding to it -- for example, including additional folks (more than Peggy) to help review the Al Frei financial report and to help prepare the report (per Peggy request). Larry suggested the committee meet with Brian Cochran (City of Novato's financial person) to go over how the cash flow works for the City and to respond to other questions. Larry spoke with Cathy last year about having Brian come to answer the questions, but it hasn't yet happened and Larry thought it would be good to speak directly to Brian about it.

Tom noted that the October minutes include a proposal for a Finance Committee. The proposal lists seven Action items (seven bullet points). Tom wondered if this Finance Committee was the same as the Budget Committee. Jay responded that this Committee is very similar but a little more refined. Tom has comments regarding the October proposal.

Larry mentioned that what the PAC Board is going to vote on would focus on the three things Larry earlier mentioned, not what is on the paper (from October). Tom responded that what Larry earlier mentioned was that the Budget Committee and Finance Committee are the same thing. Larry agreed with Tom's statement.

Tom continued that the October paper describes a proposal for the Finance Committee. Tom then asked Larry if Larry is now not saying it is the same thing. Tom wondered who drafted the proposal. Larry responded that he didn't write the October proposal. Jay indicated he was involved with the draft proposal for a while, but thought David King and Larry helped draft it.

Larry added that at this point that proposal is not relevant to what he's now proposing. Jay mentioned that it was brought up at the time for consideration, and it was placed in the minutes so PAC Board members could review it and make comments. Tom responded he wants to make comments on it, but he wants to make sure his comments are covering all the bases because it sounds like there is another committee out there called the "Budget" committee that's almost like this latest committee but not quite.

Larry indicated that the committee he is now proposing has the three things Larry mentioned, not what is on the October paper. Larry mentioned that what is on the paper is now null and void. Mike mentioned to Tom that his understanding is that the October proposal is now superseded by the current proposal Jay just handed out. The new proposal is the only one on the table.

Regarding the new (current) proposal, Tom looked at the handout (of the new proposal) and mentioned he's happy to see several of the bullet points have been omitted, especially the first one since he had serious comments about that.

Jay responded that his suggestion is that PAC Board members review the new proposal and discuss it further next month. Tom agreed with the suggestion.

Tom added that for the record, the Finance Committee that was proposed at the September meeting was no longer on the table. Larry responded that he is not sure that the official name is going to be "Finance Committee" or "Budget Committee." There's just going to be one committee to deal with budget and money issues.

Jay mentioned that regarding the handout from last month's (October) meeting, he is now proposing there be another committee that will review the planning for the Park and the "Wish List." A PAC Board member responded he thought the committees had merged. Jay responded that now they are being separated out. Larry explained that Jay wanted to have one big committee. Jay added that Larry wanted to have two.

Tom gave his opinion that PAC has all the tools already at its disposal to do everything that is in the action statement and new proposal statement. PAC has a "Swiss army knife" called the "2 by 2" Committee. The 2x2 Committee can be very active in contacting Brian or meeting with the City more than quarterly if it needs to. Tom doesn't think there needs to be another committee to do that.

Tom added that one of the Committee's goals, if it wants to take it on since administrative costs add to the cost effectiveness of the day-to-day operation of the Park, would be to see if it could get the City to do an audit on Al Frei's administrative charges. PAC has been asking for it for two years.

As far as what the City does with "our" money, Tom indicated it's not "our" money. The City is governed by State and Federal law that mandates what they do. The law covers municipalities and non-profits. To find out about their accounting procedures and policies, the information is available online with their financial report and audit. Tom doesn't think a committee is needed to that.

Tom takes exception to the part of the proposal that includes the following: "The Committee shall solicit suggestions for the direction MVMCC may take in providing recreational and diverse activities in and around MVMCC." Tom believes this is not the PAC Board's job. The job belongs to HOL and Tom doesn't think the PAC or any other committee that PAC creates should usurp HOL's mission and purpose, which he feels this does. Tom would not vote for that. Tom added he doesn't think PAC is in the opinion-gathering business about activities and doesn't think it fits PAC's mandate.

In that regard, Tom doesn't see any use for either of the committees. There already is the "2 by 2" Committee, which is mentioned in the delegation agreement. There's a manager's agreement which PAC is supposed to monitor. Tom thinks PAC is already set up pretty well.

Mike responded to Tom's comments. Mike mentioned he heard Tom propose that the 2x2 Committee take over the current proposal tasks. Mike, as a current member of the 2x2, indicated he wouldn't be willing to do this. Mike prefers having a specialized financial committee, which most boards do, with people who have expertise in finance and accounting.

Larry responded that regarding meeting with Brian, the 2x2 has asked several times for Brian to come to the Park and it hasn't happened. Larry feels it would be easier for people to go to Brian. Tom asked what the questions are for Brian. Larry responded there are several questions, including how cash flow actually works, which banks are being used, what do several things in the (Al Frei) report actually mean, where does the interest come from, how does the carry-over go from year to year. Tom wondered why not ask Al Frei for details. Larry responded that the Park finances are intermixed. He went on with his examples of questions: How is the money which is spent on a certain item carried over or not carried over from year to year.

Jay added, to Tom's question, that from his experience regarding the accounting that occurs from Al Frei's department -- that they don't have access to the accounts/cash in the banks that are under the City of Novato. They get funds from those accounts to fund the budget. The "overage" (funds that are over the budget) the City manages. What the proposed Finance Committee would be asking for is better understanding of how these funds flow and will continue to flow going forward. PAC currently doesn't have a good idea of how that happens. They've asked for better information from Brian, and Cathy Capriola has agreed to provide this, it just hasn't happened the two-three years it has been pursued by PAC.

Tom responded that the City is bound by the loan agreement with Bank of Marin in how they can set up their accounting practices and principles with respect to the income of the Park. Larry responded that the City of Novato is now also using Umpqua Bank and PAC doesn't know how/if this bank is involved with the accounts. Jay added that they are concerned about the finances of the Park.

Tom responded that as Treasurer Larry should know the information, without question. Tom added his main concern is that PAC not infringe on the duties and purposes of other organizations and that as long as PAC doesn't do that he is fine. PAC is responsible for keeping the Park affordable. In Tom's opinion, this committee seems to provide possibly a service that might be expensive and not cost effective, and that might cause an unnecessary redundancy in the services already provided by the Board (and 2x2).

Larry responded that the only money to be spent would involve one meeting with Brian Cochran for general overview of cash flow. Other questions could be handled less expensively by phone or email.

Jay then mentioned that the second part of the proposal, taken out of this oversight committee, is intended as follows. The Park is operated by Al Frei's group, overseen by PAC. The owner oversees all of it. In the past, residents requesting change (such as a larger Ballroom table) or other items would solicit it from management. PAC is

responsible for preparation of the budget, and the "fueling" (providing funds) for it. In Jay's opinion, the processes should occur in a manner that PAC should accumulate the requests from the residents and the Board and pass it on to management for inclusion into the budget. Jay feels PAC's role in this is a legitimate one and supported by the existing delegation and management agreements, which provide PAC to make recommendations to the budget. What Jay hasn't seen is that if, for example, residents wanted a community garden or to do anything in the Park, how would the information be gathered to be presented to the City or Al Frei. At this point, HOL doesn't have a direct line to management and MarVal is supposed to operate through PAC (as far as Jay understands).

Jay asked Tom if Tom feels the Committees should go directly to the City or management? Tom responded that if a request comes to the PAC Board -- for example a big-ticket recreational or education budget item that would benefit the lifestyle of the residents but would go beyond the parameters of the Wish List (i.e., costing in the tens of thousands of dollars) -- Tom suggests it then go back to HOL in the form of a suggestion/request (made at a PAC meetings) and that HOL do the heavy lifting in obtaining the opinion of the residents. The HOL Board would then make a recommendation to the PAC. Tom thinks that anything that involves residents in the Park should come through HOL. What Tom would propose is that requests go through the channels of the respective organizations which that activity applies, and that all PAC has to do is focus on funding the requests (in the budget).

Larry responded to Tom that if there were a member from HOL, a member from MarVal and a member from the PAC, it would make it much easier. Tom replied to Larry he is concerned about PAC infringing and usurping the mission and purpose of HOL. Larry responded that HOL would be part of the committee. Tom indicated if HOL agrees to it then he is okay with it, but on the surface he doesn't like the feel of it.

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Mike asked Tom if he could make an alternative proposal next month when he gets together with HOL to see if he could work it out with them. Tom said he could do that. Tom will also do it with MarVal. Jay referred back to his proposal handouts and mentioned that Tom could bring it with him to HOL and MarVal.

Gary Appleman commented that the attempts Larry describes about PAC trying to get financial information from the City have been going on for five years. Residents have significant money invested in their homes. The delegation agreement is clear that PAC is the management board of the Park. PAC contracts with Al Frei, but the PAC Board is the

management and has fiduciary duty to make sure the residents' investments are protected. If there are financial people from the Park who understand this stuff, Gary doesn't understand the problem about having a committee with those people to find the information from the City and put together a budget from it. At the last budget meeting, which Gary attended, there was no increase for salaries, there was \$400,000 for an elevator that isn't being done. Gary/PAC doesn't know where those figures came from.

Gary made a second point that while PAC doesn't do surveys of the residents, PAC takes budget recommendations. However, in Gary's experience, there isn't consideration or even a vote by the Board done on individual resident budget input or resident Wish List suggestions (such as a TV for the gym). There doesn't appear to be a real process for such input or suggestions. Gary doesn't see anywhere in the delegation agreement that HOL has the power to censor the budget or recommendations to the budget.

Tom responded with corrections to Gary's comments. PAC isn't the manager of the Park. Tom pointed to Matt Greenberg and indicated that Matt is manager and he works for Al Frei's company, located in Sacramento. Matt's job is to manage the delegation agreement, not to manage the Park. There's an agreement between PAC and Al Frei that has the City's wishes as to how the City wants the Park managed and day-to-day operations conducted. Al Frei is contracted with the City to do it that way and to produce financial reports on a regular basis to make sure he is doing it that way. PAC's job is to monitor Al Frei to make sure he is complying with the management agreement. PAC is not involved with the day-to-day operation business, nor does PAC tell Al Frei how to conduct the operation of the Park.

Tom continued that with respect to the budget, he feels it is clear in the delegation agreement that PAC and Al Frei get together and make a draft of a proposed budget. Gary and Larry indicated it doesn't happen. Larry mentioned that Al Frei creates the first budget without input from PAC. Then City staff, Al Frei, Matt Greenberg, and two members of the PAC Board get together to go over what Al Frei proposed for a draft budget. Tom responded that PAC has input into the draft and the input, ostensibly, comes from the residents and resident organizations.

Larry responded that the first budget draft comes out beginning of April. PAC meets within days after it comes out and there's no time.

Tom asked if PAC has input into the budgetary process that expresses the desires of the residents.

Larry responded that the two areas PAC has influence on is the Wish List and any rent increase. Concerning other areas, PAC can ask questions and get clarification. Tom asked Larry if PAC has influence in those two areas. Larry responded that after the first

meeting with the City, PAC has input. Tom asked Larry if those two areas are discussed at the resident level. Larry responded that after the first meeting with the City, the two areas are discussed at the resident level.

Tom then wondered where the lack of influence is regarding PAC and the budget that the current PAC Board proposal is trying to increase. Larry responded that the proposal isn't trying to increase influence but help increase knowledge as to how the actual money works. Tom asked Larry if he feels the City needs to be transparent with its accounts, etc. Larry responded that the City has already indicated they would do it. Tom replied he then doesn't have a problem with it.

Discussion about the committees is tabled until next month's meeting. Jay asked Tom if he could look into how HOL and MarVal get their wishes into the budget.

F. NEW BUSINESS

1. MOTION: To authorize the Budget Committee to meet with Brian Cochrane to have him discuss how the City handles the MVMCC money and to have him answer questions (Larry).

Larry indicated a budget committee already exists and is comprised of Larry and Peggy (Peggy took over from Desiree). Tom suggested Larry put together a detailed agenda of items to discuss with Brian Cochrane and to bring the agenda to the next PAC meeting. Larry agreed.

Further discussion is tabled until next meeting.

2. Should a PAC Committee member get permission from one other PAC Board member before scheduling meetings with City staff?

Mike Hagerty mentioned it's expensive to meet with the City. The City charges for time of its staff, although the City hasn't provided exact details to PAC about these charges.

Tom commented he previously brought up the issue on a committee basis not individual basis -- that any committee or subcommittee of PAC that wants to go to the City and have a meeting needs to come through the PAC Board first. It's not an individual he's talking about. The individual part is wrong. Larry concurred about Tom's previous statement about this.

Mike indicated it is expensive to meet with the City and PAC would like to OK such meetings. The PAC Board would like to know beforehand about such meetings and would like to see the agenda before a meeting is scheduled.

Tom agrees with Mike if the person meeting with the City is representing the PAC Board about PAC business. If the person is meeting with the City as a resident who just happens to be a PAC Board member about other issues that don't apply to PAC, Tom doesn't feel permission is needed. If someone happens to be a PAC Board member and gets involved in another Park activity for which a meeting with the City might help, they don't need to come through PAC and get permission. If it's something that's on the PAC Board agenda and it's PAC business, Tom indicated he agrees it should go through PAC. Tom doesn't feel any resident needs permission from PAC to contact the City.

Mike responded that to set up a meeting with the City for an hour or two is expensive. Tom indicated that if in that contact the City requests such a meeting, he thinks it is a matter of courtesy to attend it.

Jay commented he thinks what they are talking about is a meeting Tom had with the City with the HOL. Jay was sitting in on the meeting and Tom had suggested during the meeting that the PAC pay for the meeting (which PAC didn't). Jay asked Tom who Tom was suggesting that as -- a resident or member of the PAC Board? Tom replied that he and Jay were attending the meeting as PAC Board members. Jay responded that they weren't authorized by PAC. Jay continued that Tom sent an email asking for the meeting, the City accepted, and Jay went along to the meeting. Tom indicated Cathy asked for the meeting.

Tom mentioned that the point is how much control PAC is going to have over residents going to meet with the City. Tom's view is that the residents ought to be able to go to the City, like any other citizen of the City.

Discussion between PAC members and with residents occurred regarding the circumstances when PAC Board permission should be sought before speaking with the City.

Mike Hagerty mentioned that PAC is uncovering the information regarding how much the meetings cost and will distribute it when it is obtained. The intent is to be as transparent as possible. The residents can then decide if it is too much or not.

Jay indicated that what is on the agenda concerns any issue involving a PAC Board function or subcommittee to get authorization from the PAC Board before making a

meeting or asking for one. It doesn't say that PAC is asking all residents to get permission from PAC.

PAC members agreed that more details are needed concerning how much the City charges for their time. Further discussion is tabled for future discussion (most likely after the next 2x2).

3. Determination of next meeting date

The next meeting will be: **Wednesday, November 11, 2015, 7 pm.**

NOTE: For November, the Board will be meeting the SECOND Wednesday of the month instead of the first Wednesday.

G. REPORTS FROM OTHER BOARDS

1. HOL

Carolyn Corry (HOL president) mentioned that HOL topics have already been addressed during the meeting.

2. MAR VAL

Carolyn Corry also provided an update for Mar Val:

- Black Cat event is occurring on Halloween.

3. MVSC

No report.

4. MVEST

John announced MVEST just had a meeting and now has City permission to start its training again. MVEST is currently initiating training for block captains. There will be a meeting at the Park with the fire department to talk about El Nino and plant problems and actions that residents should/could take. Block captains will be going out in the community to distribute information and obtain resident feedback to specific questions.

A resident wondered why residents can't sell anything at the Park, yet can sell during the Black Cat event.

H. ADJOURNMENT

A motion was made and seconded to adjourn the meeting. Motion passed 4-0 (Peggy Hill absent).

Meeting adjourned at 8:55 PM.