

Meeting Minutes

PARK ACQUISITION CORPORATION

Regular Meeting

7:00 PM

Wednesday, January 8, 2014

Fireside Room, 100 Marin Valley Drive

ATTENDEES:

- Board Members: Jack Brandon, Larry Cohen, Tom Miller, Jim Olson, Jay Shelfer
- 15 Non-Board Residents
- Park Manager: Matt Greenberg
- Recording Secretary: Susan Windman

A. CALL TO ORDER: 7:01 PM

B. APPROVAL OF FINAL AGENDA

1. Corrections to Agenda:

The Agenda document was misnumbered, beginning with topic E (“REPORTS FROM OTHER BOARDS”). The Agenda is corrected, as follows: Topic E (“REPORTS FROM OTHER BOARDS”) is now Topic **G**, Topic F (“PAC BOARD MEMBER COMMENTS”) is now Topic **H**, and Topic G (“ADJOURNMENT”) is now Topic **I**.

2. Final Agenda Approval

Motion entered and seconded for approval of final agenda. Motion carried 5-0.

C. PUBLIC COMMENTS

Peggy Hill spoke for Genie Skybrook, who couldn't be present at the meeting, regarding an item for the FEBRUARY meeting Agenda. Genie would like to sponsor a fundraiser in April or May for the PAC humanitarian fund – a Ukulele party and possibly other music. Such a fundraiser was done several years ago and was successful. Because the humanitarian fund is part of PAC, PAC would be needed as a co-sponsor. Items to consider and discuss include:

- Sponsorship – Should there be a co-sponsor such as Mar Val, HOL, etc.
- Insurance – Will insurance be needed (and paid for)?
- Alcohol – Will alcohol be served? Are there liquor license requirements?

Jim will add Genie Skybrook's Fundraiser topic to the February PAC Board meeting agenda.

Bill Davis spoke on his own behalf, as a tenant. He is concerned about Clubhouse health and safety issues, including the following:

- Safety – In the ballroom, there is no good egress, especially at the southwest corner of the room. It would be difficult for someone in a wheelchair. Bill indicated a ramp is needed.
- Health – The mens locker room has a continuing mold problem, in addition to asbestos problem. The room is ventilated, but Bill still sees and smells mold. He stated that the issue should be the highest priority and should even be ahead of some other projects, such as ADA downstairs work.

Regarding locker room mold, Board members talked further about the issue. Jim indicated there are constraints from the City contract in how much is spent and how much PAC/The Park gets choices in what is done with certain dollar amounts. Jim continued that this could easily be expensive enough that the City would handle it rather than the Park/PAC. Jim suggested that Matt pursue what was just discussed, and that he/Jim would send a letter to the City expressing concern about the mold issue. Tom asked if the ballroom southwest corner handicap egress/ingress issue could also be mentioned in the letter.

Owen addressed the Board and reiterated that the mold situation has been discussed a lot. He mentioned it is of concern to residents, but the judgment rests with the Board and that it is up to the Board to move on those items the Board considers appropriate. He added that he recognizes it is difficult to balance health and safety because you can't do everything at the same time (not enough money).

Owen also brought forward a topic mentioned months ago, but not discussed since -- a rent equalization proposal aimed at taking away the adverse impact of rent increases from vacancies. On a related issue, Owen mentioned he doesn't know who in the Park needs help with the rent, but that he figures the PAC Board would be aware of this and/or Al Frei. Owen stated that this issue needs to be addressed. One last item Owen mentioned was the clubhouse emergency generator, important in the event of a disaster so that the clubhouse could be used for people to temporarily stay in.

Jack mentioned that abatement of the mold would not be inexpensive and that the City probably has expertise and might be helpful in providing an estimate for how much it might cost.

Jim asked Board members about the Rent Stabilization Committee. The Committee exists but hasn't been active. Judy is the contact for the Committee and she was going to be giving a report at some point.

Regarding the generator, Jim indicated it has been budgeted. He thinks MVEST is including it in some of their proposals.

On a separate point, Jim noted that several people has brought forward issues and want some Board action. He mentioned the Brown Act does not let the Board take any action on any items that aren't posted on the agenda at least 72 hours before the meeting. Jim indicated he needs items for an upcoming meeting agenda to be submitted a week before the meeting.

D. CONSENT CALENDAR

1. Receive and Approve Amended Minutes of November 6, 2013 meeting.

**Motion made and seconded to receive the corrected minutes from November.
Motion carried, 5-0.**

2. Approve Minutes of December 4, 2013 meeting.

**Motion entered and seconded for approval of the minutes, with corrections.
Motion carried 5-0.**

E. REPORTS

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

PAC Final Balance	\$5,474.88
PAC Actual Balance	\$2,560.38
Humanitarian Fund Starting and Final Balance	\$2,914.50
Total Spent Current Fiscal Year	\$1331.34

2. MVMCC Administration and Finance Report (Jay Shelfer)

Jay mentioned that the Debt to Service Ratio coverage currently (year to date) is at 2.72, a figure which complies with the new loan agreement that the figure be over 2. The ratio decreased slightly from last month, which was 2.85. Jay attributes this decrease to all the great projects going on at the Park that need to be addressed and that are budgeted for. He indicated that the reserve accounts haven't changed much,

simply because the incoming revenue from rents is being utilized in the current budget. Later in the year, when project work subsides, the reserve accounts should go up. Jay noted that there will be a \$250,000 drawdown in the capital reserves to pay for the TPL land, which Jay presumes will be approved by the City to purchase (for \$500,000) the land -- \$250,000 from Park reserves and \$250,000 from City reserves.

Tom asked about the following items in the Cash Disbursements portion of the report:

- Web fee, one year (Al Frei) for \$5,861
- In the August report, two job postings, cash disbursement (Al Frei), for \$5160
- \$21,000 for legal expenses

Tom asked what the Webmaster fee is for, commented that it seems high, and mentioned he would like to see an invoice or explanation what it regards. Likewise comment for the Al Frei job postings fee. Likewise comment for the legal expenses item. Tom asked Matt if the Park gets an invoice or report about how the monies are spent. Matt responded: "yes."

Jim responded to Tom that the items definitely need to be looked into. Jim indicated he has emailed the City asking if it is appropriate for Al Frei to bill separately for the job postings. The website and legal items will be looked into.

3. City of Novato (Jim Olson)

Jim provided updates about the following:

- Monday night (January 6) Planning Commission meeting – Jim summarized that the Commission found the TPL land purchase proposal to be consistent with the General Plan. After the meeting, Jim sent email to the City asking for further info about the TLP land acquisition process. Jim understands the proposed acquisition is not yet locked up. Jim wonders at what point (the date/timeframe) would \$250,000 be taken out of the Park's reserve fund.
- 20 MPH sign – The sign is still not in.
- Event Guidelines – Jim hasn't yet heard back from the City.

Jack indicated surprise and concern at hearing that the proposal sounded like a done deal. He wondered about other potential sources of funding, such as Hamilton Community Service District. Jim reflected that funding related to Hamilton would not be a viable option in the foreseeable future, if at all.

Jack voiced concern about the Park paying for the land all at once vs. negotiating for a gradual payoff so that there would be enough reserve funds available at all times for sudden, urgent Park needs (such as health/safety issues).

Jay indicated that around a year ago the City and Park had conversations about the TPL land acquisition and a 50:50 payoff, and that it was looked at as providing mutual benefit for the Park and City and an opportunity for the Park to reclaim the open space land. This view seemed repeated during the recent public meeting held at the Park.

Tom had the following questions/concerns, in light of the fact that the City would be taking around 20% of the Park's capital reserve fund: How will the money be paid off, and who made the deal 50:50 vs. 60:40 (etc.)? Jim answered by stating there is no plan. The thought is that the reserve fund is large enough to withstand the drawdown. Jay added that once the Park projects are completed, the Park should start being able to accumulate funds for the reserve accounts.

The capital reserves are at \$1.25 million and the long term reserves are \$1.136 million, a total of around \$2.4 million in reserves today. \$250,000 is slightly over 10%. Major infrastructure work at the Park is projected to be needed in ten years, but infrastructure work doesn't look extensively needed currently.

Jack voiced his concern that the Park would be paying for half the land, but what would the Park be getting for that expenditure. He recalled Owen's questions about this at the last Board meeting. Would the Park have representation on decisions regarding use of the land? What input would the Park have?

Resident Questions/Comments:

Gary Appleman favors the land acquisition but wants to first review the TPL land documents and see if there are (or aren't) restrictions stipulated. PAC has been told that if the City doesn't purchase the land, TPL will then sell the land to a developer. Gary was told by Veronica (City attorney) that the land document is a public document. Gary then submitted a Freedom of Information act request. He hasn't yet received the land document and it is over 30 days. The City is now telling Gary the document is confidential and can't be released. Separately, Anila Manning spoke with Brendan Moriarty from TPL and he said there are no land restrictions.

Regarding the \$250,000 from the capital reserve fund and the \$10 million capital improvement ten years down the line discussed with the City – This equates to around \$450 per unit per month. Gary asked the City where the money will come from and they indicated they aren't sure right now.

Sandra Figone indicated her distrust, despair and disempowerment regarding the TPL land deal. She voiced suspicions that the City would not permit the Park to participate in decisions about the land, even though the Park would provide 50% of the land acquisition money.

Owen thanked Jack for mentioning his (Owen's) previous comments about the Park's participation in decisions about the land. Owen reflected that the Park greatly benefitted when TPL originally obtained the land. If the Park was owned by the residents, the Park could have had a say about the TPL land, but that now the residents do not own the Park and do not have a say.

4. Maintenance and Capital Projects (Matt Greenberg)

Matt provided observations concerning the Park and summarized his current activities:

- Just completed the rerouting and fractured water main at 13 Marin View, and the 120 feet of engineered retaining wall.
- At 108 and 110 Panorama – Work is close to completion except for drainage, slope stabilization. About 1/3 more of a retaining wall left to do.
- Pool – Will be closed starting in February. Spa will be resurfaced. Some lighting and fencing will be replaced.

Matt was asked about the spa cover. Matt indicated there is nothing new to report, other than it will be part of the February spa project.

Jim asked about other projects, such as the gardening shed and sign placement. Matt indicated he has been moving forward on the projects.

5. Comcast Contract (Matt Greenberg)

Matt prefaced by mentioning he hasn't yet had a chance to speak at length with AT&T.

Matt provided an update of his discussions with Comcast regarding renewal of the existing contract. Currently, the Park is losing around \$40,000 per year because residents have elected to use other services. Matt started discussions with Comcast and the dish networks. Dish doesn't offer a suitable bulk agreement. The teaser rates for dish sound initially good, but after the initial period the rates are not so good.

Regarding Matt's ongoing discussions with Comcast, Comcast has drawn the line in the sand regarding rate negotiation. They won't reduce their rates further, however they are willing to give a reduction per unit (\$38.84), pay the Park (upon the Park signing the contract) a check for \$37,800, and give a quarterly kickback of 6% based on the amount of internet and cable service used. The minimum contract length would be seven years.

Jim stated the Comcast proposal doesn't sound very promising and seems like the current contract situation. Matt stated he thinks for now it would be good to wait until after the current Comcast contract expires, at which time he thinks the deal might get better.

Tom asked about the \$38.84 rate and if it would be locked in. Matt responded that the first year the rate would be locked in, and every year thereafter they can raise it 5%. Currently, Comcast can raise it 10% per year, though they aren't doing that.

A resident asked why the Park is buying Comcast services if residents are purchasing other services. Matt replied that the Park gets a better deal with a bulk rate. Jay responded that the current rate of \$48.50 is higher than the proposed bulk rate of \$38.84 (basic cable).

Owen asked if all residents would need to pay. Matt replied that the Park would have to pay for each pedestal at the Park. If a resident doesn't have television, the Park would still have to pay (not the resident) for the pedestal space. The rate is for basic cable. Extra services would cost more.

6. Insurance (Tom Miller)

Regarding insurance, Tom indicated the Park is fine now with its insurance coverage, premium and coverage-wise. When it's time to renew, hopefully after clubhouse projects are completed (including ADA work), PAC/Tom will talk further with the primary carrier about getting exclusions and premiums reduced.

The other portion of the policy, under the main policy, is primarily for Mar Val, which is a separate policy because they have a liquor license. There's an \$1800 clause that deals with employees. When the City took the main policy out, they included this clause. Tom's understanding is that Mar Val does not have employees, just independent contractors. If the coverage isn't needed, why pay for it.

Erma Wheatley inquired about insurance for events that might arise during the year that were not known prior to that year. Tom indicated there are two types of policies. One is the Mar Val policy (scheduled events). The second is for PAC and HOL, and covers resident events as long as the event is sponsored by PAC or HOL. Tom indicated that anything that has liquor associated with it has to be routed through Mar Val. If no liquor is involved, then go through HOL, which is covered by the less expensive primary policy.

7. 2014-2015 Budget Process (Jim Olson)

Jim mentioned the fiscal budget period is from July 1 through June 30, and explained that PAC provides input for the budget but does not write it. Jim described the formal process as follows: On or before April 1, the Manager (Matt) presents the budget to the PAC Board for discussion, and then presents it to the City for their discussion. PAC has control over providing a list of items (wish list) to be budgeted for. The sooner the information is sent to PAC, the sooner PAC can deliver the item to Matt. Jim would like to hear suggestions from residents. In two months, PAC would entertain a motion to select a subcommittee to work with Al Frei and Matt on the budget.

Jim would like to receive input from residents by March 1. If the input would require Matt to research costs, etc., Jim indicated it would be best to send the input earlier. Matt responded that Al wants resident input submitted by end of January.

A resident asked if there's a mid-year budget review? Jim replied that it occurs informally through a general discussion by the City.

F. GENERAL BUSINESS

1. Report/Action: Emergency Exit Road Key Protocol, Recommendation from MVEST

Serena Fisher spoke for MVEST about keys and also about the backup generator.

Re keys, Serena mentioned she spoke with Matt, who suggested contacting the fire department to make sure there is access through their key lock system. She also spoke with Bob (MVEST team), who thought the office should be making the call. Jim asked about the following: Where should the keys be, who should have them and how many should there be? How many residents, and with what authority, should have keys? Serena will provide further information about this at the next meeting.

Re the backup generator, MVEST has concerns about purchasing a generator before identifying what the needs are. Matt indicated he has been looking into the type and cost of backup generators. When the City hires a new architect, that person would be the one to help provide technical requirements for the appropriate generator.

2. Report/Action: Community Development Consulting Committee (Jack Brandon)

Jack indicated that the Committee spent its last meeting (held the night before the PAC Board meeting) discussing health/safety issues. Tom was designated to prepare a motion to present to the PAC Board.

Tom indicated it is too late to get a motion on the agenda, so he will submit the motion for the next agenda. In summary, the Committee is 100% behind prioritizing the expenditures for the Clubhouse on a health/safety need basis first (before amenities are done). The motion Tom wants to bring is to create that policy at the PAC Board level – i.e., to deal with health/safety issues prior to amenities, and also from a financial standpoint.

A resident commented that health/safety is important, but quality of life and enjoyment of the Clubhouse should also be a priority and that you have to weight up all the concerns.

Tom agreed. As it applies to health/safety and amenities, Tom emphasized that construction and/or improvements work should be coordinated with other needs, such as ADA or health/safety.

3. Report/Action: Clubhouse Event Rules/Guidelines Committee (Jim Olson)

The City hasn't gotten back to PAC regarding Events Rules/Guidelines, so there's nothing yet to report.

4. Report/Action: Downstairs Renovation Facilitation Committee (Jay Shelfer)

On November 6, the Committee submitted to the Board a project for renovating the recreation facilities downstairs. It was going to be considered for final approval last month, but Jay wanted more time to review the ADA report. After reviewing the report, Jay concluded that what the Committee is proposing doesn't appear to affect any of the ADA work that may be happening. The proposal does not involve major construction work.

A question was asked about the pool tables and Jay explained that the proposal includes the renovation of two pool tables rather than just one – the folks renovating the tables indicated they would give the Park a great deal to do two vs. just one.

Tom asked if the downstairs renovation proposal breaks down costs. Jack responded that the proposal doesn't, but that it would initially be passed on to Matt to start the process (obtain bids, etc.).

A resident asked if residents can review the proposal. Jim responded that it has been posted on the board for two months. The resident inquired about the proposed work. Jay summarized the proposal as follows: Repair and paint all the walls, remove the carpeting from the ladies card room and replace with a hardwood floor, improve the lighting (install LED lights) in that card room and also install in the ceiling a sound system, remove the furniture in the mens card room, renovate one more table in the pool room, improve the lighting in that room and replace the carpeting.

A resident asked if anything is proposed for the downstairs ventilation system. Jim mentioned that the doors are usually just opened.

Tom mentioned that the downstairs carpets are bad – smelly, not cleaned. Jim observed that the pool room carpet is worn through and needs replacement. He said he feels the proposal is a good idea.

Jack indicated he feels the proposal document is too detailed. He sees the proposal as a preliminary step and thinks the motion should instead authorize Matt to coordinate with the City to begin the process rather than getting into the specifics. The motion should not get into specifics because it would be binding in a way that could strangle the process and inhibit Matt. The motion should be brief and just authorize Matt to begin the process.

After additional discussion and input by Committee members, Jay entered an updated motion: That the PAC Board recommend that Matt pursue the budgeted renovation and use the Committee report as a guide, using local contractors where possible.

Resident Discussion:

John Feld wanted to respond to Jack's previous statements and mention that the room described by Jack is being used extensively by a variety of people, who are suffering by the delay in renovation.

Motion entered and seconded for approval of the motion. Motion carried 4-1, with one abstention (Tom).

5. Determination of next meeting date

The PAC Board's next meeting will be: Wednesday, February 5, 2014. Jim noted that the June meeting occurs on the first Saturday.

G. REPORTS FROM OTHER BOARDS

1. HOL

Nancy Bingham, HOL President, spoke about the results of the resident survey. Copies of the results will be available in the HOL box. Results included the following:

- Watercolor and sketching
- Table pool: classes and tournaments
- Seminars (Mike Haggarty, etc.)
- Board games
- Dancing of all kinds

The above activities are already occurring. On Sundays there are board games. On Thursdays are board games and card games. Mahjong is played on Fridays.

The next survey is going on -- Erma's directory. Responses are needed and should be placed in the HOL box.

The next HOL meeting is January 22.

2. MAR VAL

Kathleen Darsie indicated the holiday parties were very successful. The next event, scheduled for Saturday, January 18, is a spaghetti dinner.

Erma Wheatley inquired about the insurance costs for unscheduled events serving wine and beer. Tom responded that wine/beer still requires a liquor license and that the City would have to grant permission. Tom will have more info at the next meeting.

H. PAC BOARD MEMBER COMMENTS

Jack inquired about obtaining a copy of the minutes. Jim indicated the minutes are posted inside and outside the Clubhouse and also on the website, and Jim brings copies to each meeting.

I. ADJOURNMENT: 9:32 PM

Motion to adjourn, seconded and passed: 5-0