

Meeting Minutes

PARK ACQUISITION CORPORATION

SPECIAL BUDGET MEETING

7:00 PM

Wednesday, April 23, 2014

Fireside Room, 100 Marin Valley Drive, Novato, CA

ATTENDEES

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

GENERAL HANDOUTS

- Copy of the Agenda
- Five-page proposed budget spreadsheet, consisting of a three page “FY 14/15 Operating Budget” and two page “2014-2019 Proposed Capital Improvement Budget.”

A. CALL TO ORDER: 7:02 PM

B. APPROVAL OF FINAL AGENDA

1. Corrections to Agenda

- Section D (Consent Calendar) was incorrectly included in the Agenda. The items entered for D-1 and D-2 were already addressed during the March regular PAC Board meeting. Instead of deleting Section D from the Agenda and then renumbering the entire Agenda, Section D will remain on the agenda but will not be acted on (see Section D minutes for Motion).
- The date in Item E-1 is corrected to read “2014-2015.”
- The date in Item F-2 is corrected to read “2014-2015.”

**A motion was made and seconded to approve the corrections to the Agenda.
Motion passed 5-0.**

2. Final Agenda Approval

Jack made the following motion, which was seconded, to (temporarily) suspend the Agenda:

“WHEREAS, this evening’s meeting of the PAC Board of Wednesday, April 23, 2014, has an agenda item to be voted on for discussion and approval of our ANNUAL BUDGET.

AND WHEREAS, due to an unfortunate series of circumstances and/or events we were unable to publicize this meeting in our typically appropriate manner.

AND WHEREAS, in my/our opinion the public attendance at this meeting would be of benefit to the community and of significant importance and value to the PAC Board.

THERE BE IT MOVED THAT THIS MEETING BE SUSPENDED AND APPROPRIATE NOTICE GIVEN THAT IT WILL BE RECONVENED FOR THE SUBJECT OF BUDGET DISCUSSION ONLY ON _____ AT _____.”

Jack indicated the budget meeting was not adequately publicized to Park residents and that the PAC Board has a responsibility to communicate such a meeting to the residents. For example, no banner indicating the special meeting was displayed at the entrance to the Park. Jack requested the meeting be postponed for a week so it could be appropriately publicized.

Board discussion:

Jay responded by mentioning the budget meeting was announced at the last Board meeting and that the Board has been discussing the budget at meetings for a long while. Jay additionally indicated that there is a tight timeline for PAC to hold the budget meeting and present their budget input to the City. Larry mentioned that there are eight residents at tonight’s budget meeting, so the publicity did get out. Tom stated he supports Jack’s motion 100%, especially since the budget meeting is the only chance during the year that the residents can provide their budget input.

Jim responded that all official notices about the special meeting were put up. He also mentioned that the PAC Board is required by contract to hold the evening’s meeting prior to April 28, 2014 and that the meeting can’t be moved to next Wednesday because it would then occur after this date. Jim indicated that the PAC Board isn’t approving anything at tonight’s meeting, just discussing it.

Regarding the April 28 meeting deadline, Jack responded that he doesn’t believe such a deadline should be put ahead of the resident’s best interests and that it would be

worthwhile to discuss the possibility of a date extension with the City. Tom concurred.

The PAC Board voted on the motion to suspend the evening's agenda and for Jim to contact the City to ask about an extension beyond next Wednesday. Motion denied 3-2: 3 Nos (Larry Cohen, Jim Olson, Jay Shelfer), 2 Yeas (Jack Brandon, Tom Miller).

Motion made and seconded to approve the final agenda. Motion carried 3-2: 3 Yeas (Larry Cohen, Jim Olson Jay Shelfer), 2 Nos (Jack Brandon, Tom Miller).

C. PUBLIC COMMENTS (on non-budget-related issues)

Alan Gump described his concerns about issues surrounding preserving views in the Park vs. protecting wildlife. Recently, palm trees were so trimmed that birds can no longer nest in them. Alan suggested including an advisory person on the Tree/Shrub Policy Committee who has such subject matter expertise, like Bill Noble. Jack wondered about the junipers as a potential fire hazard.

Jim responded that the mentioned issue on the Committee's agenda. Serena mentioned there is no public forum for residents to provide input about an issue of concern to residents. Jim responded that input is welcome from residents. Nancy indicated that the land and trees are owned by the City (Park Management) and that decisions about them aren't open to everyone. Jim suggested that the topic is best discussed at a general PAC meeting.

D. CONSENT CALENDAR

Motion made, and seconded, to not act on this section of the Agenda (Section D, Consent Calendar). Motion confirmed 5-0.

(Also see Agenda item B-1.)

E. REPORTS (discussion only; no Board action)

1. Resident Input on 2014-2015 Draft Budget:

Jim first provided a brief summary of the budget process. He mentioned that the Park contract indicates that the PAC Board may review, approve, make reasonable amendments, or disapprove the operating budget prior to April 25. Jim noted that the PAC Board doesn't actually "approve" the budget since if the Board disapproves the

budget, budget approval still goes ahead. Process-wise, the formal PAC Board “approval” vote occurs on June 7, after the City Council approves the Park budget.

Jim mentioned that the budget presented at this evening’s meeting is not finalized, but close to it. The contract states that the budget needs to be presented to Park residents for comment prior to April 28. The purpose of tonight’s meeting is to get resident comments, questions and concerns that would then be forwarded to Al Frei, who then incorporates and passes on such input to the City. Jim plans to send the resident input to both Al and the City.

Prior to April 28, residents can directly submit comments, themselves.

(For the following discussion, refer to the five page budget spreadsheet handout.)

Jim provided an overview of budget changes for this budget cycle.

- Around \$90,000 has been added to annual expenses (salaries, etc.).
- Street sweeping is no longer being done (no longer an expense).
- Matt’s salary is increased to \$75,000 (from \$60,000) in this budget. The management fee is reduced by \$13,000.
- In Jim’s discussions with the City, there was agreement to cut the entrance camera out but keep the entire MVEST funds in. Jim commented he doesn’t see MVEST included in the budget (Jim will ask the City about its absence).
- Comcast contract is in force until December 2015. This year, the Park expects to lose around \$2000.
- A 2% rent increase is included in the budget.
- The Park is contributing less than \$250,000 for infrastructure work.
- Of the two large items pertaining to slope repair, one is being moved off from this year’s budget to next year to save money this year.
- Item #80,000 (Professional Services, \$50,000) relates to the start of ADA research work and is included because it is coming from other funds.
- The shades and deck cover are included, but Jim doesn’t see the screen and projector, the AC, nor the MVEST radios (nor the \$6000 for MVEST which Jim will be inquiring about).

Board discussion:

Tom asked about the \$90,000. Jim responded he believes much of it is for salaries. Several Board members thought Matt’s raise was excessive, in light of his short tenure at the Park and that the maintenance workers haven’t had a raise for several years. Tom asked for details about Frei management expenses and fees. Tom also

thought Management Fees should be moved to Expenses, and that Line Item #80000 (“Professional Services”) should be labeled that it is for ADA work.

Jack asked about the 15% the City pulls out of the Park budget. The Board discussed the 15% further. The running budget total doesn’t add up by 15%. The 15% seems to be pulled out from Net Income, after Expenses, and placed in a contingency fund, maybe to be used for emergencies and/or to pay bank fees. Tom was wondering if the fund could be used by the Park for other types of emergencies, such as by MVEST for Park emergencies. Also, he was wondering if some of the funds could be used for infrequent situations involving non-capitalized improvements, such as when Matt goes over budget on a project. Tom mentioned that the City indicated the fund couldn’t be used for this.

Regarding Legal fees at \$20,000, Tom thought these fees could be reduced by using a local attorney and local process server (not the Sheriff). Al Frei currently uses a Sacramento attorney to handle work at the Park and relies on the Sheriff as a process server. Currently, the Park is paying around \$2300 per month in legal fees (equaling \$20,000, annually), which Tom thought was exorbitant.

Jack asked if the water cooler is now out of the budget. Jim responded that it should be out and that he will verify that it is.

Jim indicated that all items on Wish List, except for cameras at the Park entrance, are supposed to be included in the budget, but he is unclear where they are being designated. Jim will speak further with the City about the items.

Jay thought Park security should be beefed up and that funds (\$3000) should be allotted for it – for example, to install cameras around the Park as a deterrent. He recently heard that the lock to the water tower above the Park had been vandalized (cut off) and that the North Marin Water District tower had been emptied by 8000 gallons of water into a creek. Tom responded that the problem is that cameras don’t work and also that what is captured by the cameras is not admissible in Court. Jim added that the City voiced the same concerns to him. Tom mentioned that what seems to work are signs and decals indicating the presence of cameras.

Larry mentioned he wants to make sure the office computer gets updated.

Jack mentioned he feels Al should have taken a more substantial decrease to offset the excessive increase he gave to Matt.

Resident Questions/Comments:

Serena asked about Item #50 – Slope Stability -- on the “2014-2019 Proposed Capital Improvement Budget” page. She asked what the amounts are for. Jim responded that surveys have been done and the licensed experts indicate slope stability work needs to be done at various sites. The work would be expensive. Originally, two sites were planned for, but instead the first most egregious one will be done this year and hopefully the second one will be put off. Julian indicated it would be ok to do this.

Tom asked if there’s any chance the PAC Board could develop a financial plan for the Park that looks ahead out to the infrastructure repair, and that also takes in to account priorities such as disaster preparedness and health/safety issues. Are there any discretionary funds available in the budget for this?

Tom voiced concern about the impact on the low income residents by budget expenditures and increases, such as the additional \$90,000 of expenses.

Sandy mentioned that two new kitchen refrigerators would greatly benefit MarVal. The current ones are very old and their temperatures fluctuate. Matt thought different ones could be acquired for around \$300 each. Jim responded he never received the request from MarVal. Jim will look to see if he can add this in. Nancy mentioned PG&E has a low-income program in which old refrigerators are replaced for free. Jim will also look in to this.

Jay echoed previous comments about making the line items in the proposed budget more transparent – for example, by including better titles for accounts and additional documentation -- so that the PAC Board and residents know better what is going on with the budget. Larry indicated his total agreement with Jay’s statement. Residents also voiced agreement.

F. GENERAL BUSINESS

1. Approve proposed letter from the PAC Board regarding information for the Architect involved in ADA planning (Jim Olson)

(Handout distributed by Jim to Board members: “Draft letter about ADA concerns for PAC Board”)

Jim distributed to Board members for their review and comments a copy of the draft letter he composed to be sent to Cathy (Novato Assistant City Manager). The letter summarizes ADA concerns provided by Park residents. In the letter, Jim asks Cathy

to forward these concerns to the new City architect involved with planning and implementing the MVMCC ADA project.

Jim made a motion, which was seconded, for the Board to approve submitting the letter to the City.

Tom complimented Jim for including comments of the resident advisory committee. Jack suggested inviting the newly-hired City architect to tour the facility and make any additional suggestions.

Jim restated the motion to include the invitation for the City Architect to tour the Park/facility and make additional suggestions. Restated motion seconded and confirmed 4-1 (4 Ayes, 1 absent due to Tom being out of room for the vote).

2. Discussion/Possible Action: 2014-2015 Draft Budget

The Board reviewed the dates for voting on the final budget. On June 7, the PAC Board votes on final approval of the budget, after the City votes. Jack indicated he would like to vote on budget comments tonight (yes/no vs. by budget categories).

Jack entered a motion, which was seconded, to vote on the budget, with Board members allowed to provide comments.

Jack explained he would like his comments to go to the City Council before they vote, and he wants to be able to provide comments to them about the budget process. Jim suggested that Jack write his comments up and Jim will attach them to the letter he sends to the City on Friday.

Jack withdrew his motion.

3. Determination of next meeting date

Next regular meeting: Wednesday, May 7, 2014

NOTE: Novato City Council meeting will be held at MVMCC on Tuesday, June 3, 2014.

NOTE: The PAC Board meeting in June will occur on Saturday, June 7, 2014, at 11 AM. During this meeting, the PAC Board will vote on approval of the budget and will seat the new Board members.

G. PAC BOARD MEMBER COMMENTS

No comments.

H. ADJOURNMENT: 9:02 PM

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