

FINAL Meeting Minutes

PARK ACQUISITION CORPORATION (PAC) BOARD
Marin Valley Mobile Country Club
Novato, CA

Regular Meeting
Tuesday, May 2, 2023
7:00 PM

Meeting held virtually through telephone conferencing
(audio-only, recorded by John Hansen, due to technical difficulties with Zoom)

ATTENDEES

- BOARD MEMBERS: Jay Shelfer (President), John Hansen (Vice President), Carol-Joy Harris (Secretary), Steve Plocher (Treasurer and Chairman of the Finance Committee), Vicki Waddell (At Large)
- PARK GENERAL MANAGER: Matt Greenberg [Absent]
- RECORDING SECRETARY: Terri Beauséjour [Absent]
- OTHER: Approximately 7 other residents

CALL TO ORDER

Jay Shelfer called the PAC Board meeting to order at 7:03 P.M. and introduced himself and the other Board members. The Board members briefly discussed the fact that there would be no Zoom meeting availability; thus, the meeting was recorded in audio format by John Hansen.

A. APPROVAL OF FINAL AGENDA

John Hansen pointed out that the next Board meeting cited in Item H should be corrected from Tuesday, May 6 to Tuesday, June 6 for the next Board meeting. The agenda was approved 5-0.

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

Jay stated that public comments will be limited to three minutes for all public comments throughout the meeting and noted that any persons wishing to comment should identify themselves in light of the fact that the recording for this month would be via audio only. Joe DeAvila appeared to have a comment but appeared to be muted. Connie Marelich called in to address an issue with the Rules and Regulations, stating that we don't have any employees other than Matt Greenberg to enforce the rules. Carol-Joy noted that the Rules and Regulations topic is on the agenda and could be discussed when that agenda item is reached. Connie asked if there was an annual meeting scheduled for June 3. The Board confirmed that there is, indeed, a meeting scheduled for June 3 and that there is also an upcoming agenda item to that effect, so further discussion would be conducted as part of that item on tonight's agenda.

C. CONSENT CALENDAR

John moved for approval of the April 4, 2023 meeting minutes. Carol-Joy seconded the motion, which passed 5-0.

D. REPORTS

1. General Manager Report (Matt Greenberg)

Maintenance and Capital Projects (Jay reported on behalf of Matt Greenberg)

Work has started on the pump house as of today. We don't have a completion date, but they will be working in plain sight. Jay and Matt met with them last week, and they seem to be "gung ho" to complete the job and to do it well.

Ellen Jane Schulz commented on energy usage, the climate crisis, and how we might address specifically the climate in the clubhouse. Although it is a small proportion of the gas and electric usage, as compared to, say, the hot tub. She does randomly stop by, not to check, but does observe the thermostat from time to time. She stated that on Sunday, it was 52 degrees outside and the Fireside Room thermostat was set to 68 degrees, air conditioning, and it was running to keep it cold. She has asked someone to change this but did not feel that it had been addressed. Then, on Monday and Tuesday she noticed that in the Fireside Room and the library the thermostat was set to 67 degrees heat. According to PG&E guidelines, in order to save energy, you should set it to 68 degrees or lower. So that was good. Furthermore, the air conditioning guideline is 78 degrees to save energy. She turns her own heat down to 56 degrees at night. Her question for Matt is whether there are any guidelines, whether anybody is taking care of this, and whether it can be programmed in accordance with the weather. She wants to know, given her environmental conscientiousness, if this could somehow be addressed such that the HVAC does not run all night. It is a big deal for her, some sort of programming rather than having it run all night long, either on air or heat.

2. PAC Treasurer Report (Steve Plocher)

The PAC petty cash account still has \$2,193, as before.

Of the PAC annual budget of \$4,000, we have thus far spent \$1,873, so we are under budget. We don't spend a lot of money. If we end up having an election, we may spend some more. Carol-Joy wondered if any remaining balance at the end of the year would roll over or could it perhaps be applied to other line items. Steve replied that that is a question for Matt in the future, but, "I suspect not."

3. MVMCC Finance Committee Report (Steve Plocher)

The DSCR for the fiscal year, for the nine months through the end of March, is at 1.47, even with all of Steve's adjustments. Steve has studied Chris Blunk's budget for this current fiscal year. When Chris originally set it up a year ago when he was meeting with Jay and Steve, the budget penciled out to represent a DSCR of 2.0 or better. Steve is trying to compare and see what is different. The main thing is that Chris has budgeted for a large amount of capital

expenditures as compared to what we actually spent. At the same time, we have spent in other areas, which are operating expenses. Capital expenditures get removed from the DSCR calculation, allowing for a larger profit, whereas non-capital expenditures do not get removed and thus do not provide for a larger profit. They are just ordinary expenses. We have about \$150,000 that is allocated for tree and brush clearing, which could well be considered a capital expenditure, according to accounting theory. Steve has advanced that discussion in the form of a paper that he sent to Chris Blunk to request that he consider that and remove the expenses for the brush clearing and move those items into capital, especially considering that the clearing activities are a long-term effort in order to convert those areas into defensible space. Theoretically, those should be capital expenditures, but they are on our books as operating expenses. Moving that would help the DSCR. Jay asked if this would be enough.

Steve noted that he had received an email from John Hansen that he had received from Matt, whereby Chris Blunk was asking Matt to keep the expenses to \$100,000 for the next two months. This would be payroll, payroll taxes, insurance, management fees, and utilities (although most of the utilities get reimbursed).

The faux pas seems to Jay to be how the Helsing Group received the invoices to be paid. Cheryl at Helsing should have noted from which budget the costs should be paid from, whether capital or operating expenses. Jay considered whether we should work with Cheryl on this, but Steve suggested that it is not her job to make these determinations. Steve went on to say that he had already emailed Chris Blunk and suggested that he forward that email to the finance department of the City of Novato.

Steve also suggested that if we are unable to reach the 2.0 DSCR, we could go ahead and pay off the loan at this time, rather than waiting until 2026. This is not urgent, because the DSCR is not an issue until our end of fiscal year and possibly not until an end-of-year audit has occurred.

Carol-Joy clarified that in the event the DSCR target isn't met, it is conceivable that the bank could call the loan. Steve stated that this is not an issue as we don't have any major capital expenditures on the horizon, so it is a "pay me now or pay me later" type of thing. However, Carol-Joy went on to point out that Pump Station #2 was done for \$1.5 million, and the Pump Station #1 work was just starting, for another \$1.5 million. We were told that we would get \$3 million from the Feds, through the City, for those two projects, but we haven't seen that money. Carol-Joy asked if anyone knows when we would get that money. Steve stated that Pump Station #1 is not in our capital budget for this year, next year, or any year, so he assumes the City is going to bear that cost and that we would be reimbursed for Pump Station #2. Steve added that since this is supposed to happen, we need to keep asking them about it. The City Council did approve giving the money to MVMCC in order for MVMCC to coordinate and pay for the work.

Ellen Jane expressed that she is in favor of paying off the loan, and Steve said we would save around \$150,000 in interest if we were to do so. It has been discussed at PAC Board meetings and 2x2 meetings, but Chris Blunk wanted to wait for the results of the capital reserve study to see how much reserves would be deemed sufficient. Chris has stated that they would study this and get back to us; however, they have not yet done so.

Jay said that Steve and he were going to schedule a date to get together with the residents to give the residents the opportunity to review the financial information the Board has in hand, which was put out by Chris last month and is to be reviewed in June. Jay wants to set up a date to have a general meeting with the residents to hammer out some of the questions we would have for the City at an upcoming meeting with the City sometime later in June. Jay suggested doing it at night, after dinner. John suggested Tuesday, and Carol-Joy stated it needs to be at least two meetings. Carol-Joy stated that the date of the meeting with the City staff has not yet been set yet. Chris Blunk had said that the City would not be available until at least the end of June or the beginning of July. Jay suggested we set up the first meeting with residents and then we could set up a second, third, or fourth meeting if needed. Everyone agreed on Tuesday, May 16 at 6:30 P.M.

Steve said he has been hearing rumors that some residents are very worried that the City is going to sell the Park. There is no such comment coming from anywhere, the City Council or otherwise. They have mentioned the long-term sustainability of the Park. There is budget planning to do, and there may be changes, but nobody needs to be concerned that the City is planning to sell the Park.

Carol-Joy stated that at an April City Council meeting Pat Eklund explicitly said, "I have no interest in selling the Park," and another City Council member said the same. Steve stated that there will, however, be some upcoming changes related to our budget.

Jay stated that the Board would gather all of the information from the City, share it with residents, and get their feedback at the meeting on May 16.

4. 2x2 Meeting Report (Carol-Joy Harris, Jay Shelfer)

Nothing reported for this month.

5. Project Planning Report (John Hansen, Jay Shelfer)

Jay stated that we need to schedule a project planning meeting as well. The capital budget has a big effect on the amount of money we need to have in order to finance these projects. Part of the effort that Chris made was to point out the cost for replacing various aspects of infrastructure within the Park. We need to talk about the actual needs for doing various projects because we feel that there is a different time schedule than what was put forth in the last meeting with the City. For example, the pool was supposed to be replaced in X amount of years. We have just resurfaced the area around the pool, the pool itself, and the hot tub. That is going to be good for 20 to 30 years. So we need to compare their observations with our actual needs. We are trying to get Matt involved in these discussions and want to get residents involved in the project planning as well.

John suggested we address project planning prior to looking at the finances. He feels we should see what we need to do and then address how it is going to be paid for. We don't have \$100 million; in fact, we have far less than that. All agreed on having a project planning committee meeting on May 9 at 6:30 P.M.. Then Jay and John can take notes and report back to the PAC Board at the next regularly scheduled PAC Board meeting. Hopefully, it can be a Zoom meeting if John's computer gets fixed.

The meeting on May 16 is primarily to answer resident questions, so it will be more like a workshop. The only agenda would be to open up the floor to questions, etc., so this will not be an official PAC meeting. The meeting will be open to all residents. Carol-Joy suggested the meeting be announced via the entire Park's email list of residents, and John Feld confirmed that they do have that list available.

Joe DeAvila submitted a few comments via chat. He asked if perhaps Chris Blunk is trying to subsidize the staff for the City out of our budget. Carol-Joy replied that, no, they want us to be self-supporting, and we always have been, so that is not a concern. These are good questions for the May 16 meeting. John said we do need to address the money that has been taken out by the City for the loan agreement. Steve stated that it does not specify what we can spend; it is only about the DSCR calculation. John pointed out that the amount of money the City charges us for administrative expenses has gone up substantially. Steve said that if you follow the entire thread throughout the agreement, it is not limiting our spending. But John stated that for several years, they would take a lump sum of \$25,000 for administrative expenses, and when we asked for an itemization, we just got back three lines, one lump figure for each of three years. That really doesn't help us to budget when money is taken out "willy-nilly," without a contract nor an agreement ahead of time, pertaining to how much it is and on what it is going to be spent. We cannot make a budget without knowing where and when the money is going.

6. MVEST/Firewise Committee Report (John Hansen)

On May 20 there are a number of things happening in the Park, one of which will be an evacuation exercise. It will be a bit different this time. The County Emergency Operations Center will contact us in the Park specifically via Alert Marin, asking us all to leave. They will also provide several warnings ahead of time. Nobody should be surprised to get that Alert Marin message to evacuate. It is set up such that residents from MVMCC will go directly to the Civic Center for the Ember Stomp. John has a map for that and will get it out to everybody such that all can participate.

MVEST held a meeting with the Marin Center for Independent Living (MCIL), and it was nicely attended. Lots of people were very interested in what MCIL has to offer.

The MVEST Volunteer Roundup will be open for all members of the community to see what MVEST is doing: what our plan is and what our projects are. A lot of people in the Park seem to have ideas about what MVEST should be doing, and we want to provide an opportunity for them to be informed and to be heard.

There is a meeting on May 12 of the Fire Safe Marin Firewise Leaders. The MVEST meeting is Monday. Marin VOAD, Voluntary Organizations Active in Disaster, meeting is to be held on Wednesday. Everybody is welcome to attend these meetings.

As for the goats or other clearing, nothing is firm, but there is a general plan. Several years ago, the greater Novato shaded fuel break was originally conceived. They were looking at MVMCC being on the tail end of that. John stated that Bill Davis had a lot to do with MVMCC not being on the tail end. They will probably start this month. They will bring in the goats, the hand crews, and heavy equipment, and will orchestrate the controlled burning, mulching, etc. John is unsure exactly what they plan to do and when. We may have to do some budgetary planning for this, and we may need to do some fine tuning. This year the

budget was \$150,000 for this type of clearing. This assistance will essentially erase this line item from our budget as well.

Ellen Jane wanted to address the evacuation and Ember Stomp, suggesting that people find a location to get together and carpool. John Hansen stated that within an evacuation, the idea is to get into your car and get out of there. John Feld stated that people involved with the Ember Stomp will have dedicated parking at Marin Civic Center, so parking will not be an issue, and he reinforced that the idea is to get into your car and get out. Ellen Jane suggested once out of the Park, people could arrange to meet and carpool to the Marin Civic Center, perhaps at the Park and Ride. Ellen Jane is worried about the carbon footprint of everyone driving to the Marin Civic Center.

Carol-Joy said that Karman Wright, who is attending this meeting on behalf of the City of Novato, put something in chat: “Hi, All, I just want to reassure you all that the goal is to address the long-term capital needs for MVMCC.” This was in response to the previous agenda item about finances. Karman interjected that her comment was intended to address Joseph’s comment. She wants us all to rest assured that that was the main goal. Joe then was able to chime in verbally that the point he was trying to make was that he got the impression that all of a sudden there is a lack of awareness as to the acquisition of Marin Valley by the City, and that he does not believe that they really expected us to be a cash cow for them. He believes that it was intended to be a neighborhood for low-income people and not a profit-making situation for the City of Novato. However, he is hearing about a shortfall and thinks maybe that is where the confusion is. He doesn’t understand why we are debating as to what should be done with the loan. He has always believed that we should pay the loan off, then establish a good flow of capital expenditures for the benefit of the Park and the residents. He feels we are keeping up with our obligation to pay the loan off and that we shouldn’t have to have an engineer from the City tell us we need to increase rents. He believes there is a misunderstanding because we are not getting all of the information from the City, and that is not to blame anybody, other than the fact that we need to pay more attention. He believes we are on solid ground in that people need to understand that even if we pay off the loan, we don’t actually own the property and are not able to sell it. That is not the intention. He believes that this needs to be emphasized to everybody. It is going to be to our benefit to have that money which is now going toward the loan to improve the infrastructure of the Park.

Karman responded that all of this will be able to be fleshed out as part of the upcoming summer meetings, or at least that is the hope.

John Hansen noted that the City has their own issues financially. They are in the hole and they may go more deeply into the hole. Some seem to think that the City is looking toward MVMCC to “bail them out.” John does not see this as the case, but instead, they are looking for MVMCC to “not be a liability” and making sure that the finances are there for what needs to be done. John’s perspective as to what needs to be done is very different from what Chris has come up with. John also noted that many people in the Park are living on the edge financially. A lot of costs have gone up, especially utilities. Some people are cold in the winter and cannot afford to light their furnaces. John stated that to him, the raising of the rents is a nonstarter and would potentially force some people to have to leave the Park. He stressed that it is incumbent upon the Board to do everything we can to “sharpen our pencils,” figure out what needs to be done and when it needs to be done and how to pay for it, without raising the rents.

Carol-Joy pointed out that these are topics of discussion for the aforementioned meetings, and John concurred.

7. HOL Report (John Feld)

John reported as follows: HOL's meeting is tomorrow in the Fireside Room, and all are very welcome to attend.

The Breezeway Market will be Saturday, June 3 from 1:00 – 4:00 P.M., with setup beginning at noon.

A movie called "Tattooed Trucks" will be shown in the ballroom on Tuesday, May 16 at 6:30 P.M. It is about the decorating of trucks and local art in Nepal.

The MVMCC play, "Today's the Day," by Vicki Waddell, is coming up. It is expected to sell out, so sign up as soon as the sign-up sheet is available at the clubhouse lobby desk. It will be performed on Saturday, May 20 at 7:00 P.M. and a matinee on Sunday, May 21 at 2:00 P.M.

There will be a Circle of Friends meeting on Thursday, May 25 at 4:00 P.M. in the Fireside Room.

On Saturday, June 3, there will be a celebration of all of the work that Pauline Hawkins has put into the Park's landscape, an amazing amount, particularly around the clubhouse. She also facilitated the daffodils, as well as working on the little park down by the pump house, which is pulled down at this time. She has been very busy, but now her job is being taken over by the Helsing Group, so the celebration is to thank her for all of the work she has done over many years.

We are about to have a second pelvic floor meeting, and Jay is going to participate in it as well.

If you go to the clubhouse, you will see that Art in the Park has installed a new art show, which is magnificent.

The yard maintenance committee is getting back into gear now that the weather is picking up. We are still looking for gardeners that we can afford. Peggy Hill is coordinating with the incoming gardeners and has a budget with which to work.

With no questions, John Feld concluded his report by expressing that he hopes everyone will attend the HOL meeting and assured folks that it will be "a lot of fun."

8. Mar Val Report (Carolyn Corry)

Vicki Waddell reported on behalf of Mar Val President Carolyn Corry.

The Cinco de Mayo celebration will be on Friday, May 5 at 5:00 P.M. at Pub, featuring pork verde, chicken or cheese tamales, rice, and beans. The drink of the night will be margarita on

the rocks. The reservation deadline is May 3. You must have a reservation if you wish to partake of the dinner, but please know that everyone is welcome. There will be no pizza that evening.

On May 12 at Pub, there will be a remembrance and tribute to the wonderful Patrick Wheatley. The usual Pub drinks and food will be available.

On May 29, Memorial Day, at 5:00 P.M. there will be a celebration out on the deck. This will be our first event on the deck this year, weather permitting. Hot dogs and hamburgers will be served. We will be honoring all veterans at this event and will also be celebrating Marian Pilotte's 100th birthday.

9. PAC Board Election Committee (John Hansen)

With the election, John has still not heard of more than one person who wishes to run for the one available seat on the PAC Board. One other person has agreed to run again and remain on the Board, and at this time there are no challenges to that seat. John mentioned that that person is doing a great job, so John couldn't foresee him getting replaced.

Nominations open on May 5 and go until May 12. On May 20 or 21 there could potentially be a "greet the candidates" event, but it probably won't happen, since John has not heard of any other candidates. If we do actually have an election, we will be sending out ballots to everyone in the Park. The ballot box will be in the clubhouse. Either the night of June 2 or the morning of June 3 we will tally the ballots and will announce the winners during the annual meeting on June 3. John pointed out that if you are a bona fide resident of Marin Valley, then you are a member of Marin Valley's PAC. So this meeting is for all residents. John isn't sure if there has ever been a quorum at this meeting, so it may be that no actual business would be conducted at this annual membership meeting, but generally, the PAC Board is there and conduct a meeting for the 20 or 30 people that do show up. It is nice to see who your representatives are. John encourages everybody to consider running for the Board and also to attend the membership meeting. There will be refreshments.

10. Rules and Regulations (Carol-Joy Harris)

Carol-Joy requested that Karman stay a little longer to go over the Rules and Regulations status. There is a specific timeline of what needs to happen that was developed by the City Attorney and given to Serena Fisher and Carol-Joy. This timeline was developed with care. Carol-Joy and Serena shared this timeline with Karman and Chris Blunk. In that email thread, Karman had highlighted the next step. Carol-Joy, however, feels that there was a misunderstanding there. The next step that was highlighted was that the PAC Board would approve the draft and then that draft would go to the City. However, that has already happened. The PAC Board has already approved the draft. That draft was prepared after a couple of Zoom meetings that Carol-Joy and Serena conducted, and was approved by the PAC Board for expediency to forward to the City, but this draft now needs to come back to all of the residents. It is now at the City on Chris Blunk's desk. Once it comes back from Chris Blunk, we need to schedule at least two resident input meetings, maybe a daytime meeting and an evening meeting. Carol-Joy would like to have at least one of them in person, for those who do not use Zoom. Jay clarified that we do already have comments from the City's legal department. Karman stated that, yes, Chris needs to see them before they are distributed to the

residents. Karman said that she was hoping to move it along, but Chris has the final say on the timeline. Carol-Joy opined that since we have to wait for Chris, we might not get it back until July, but we need to really work on it with the residents. The City Council will need to approve the final version, and there is an entire process for notifications, for instance, a six-month notice to residents before the changes go into effect.

Carol-Joy said that it has been many years that we have been waiting for the revised Rules and Regulations. Karman assured everyone that though she has only been in her job since November and didn't receive the draft until January or February, she is determined to try to move it along. Carol-Joy stated that we understand that the long-term sustainability, the finances, and other projects will take priority. Jay summarized that we are going to keep the Rules and Regulations on the agenda and follow it closely with Chris.

John Feld asked why the City engineer is involved in our Rules and Regulations. Carol-Joy stated that Chris Blunk, Director of Public Works, is involved as our liaison with the City staff and thus is involved in a variety of areas: budget, capital projects and other projects, etc. Karman added that she is involved in our billing and the approval of our billing, that that is her role.

Michele Rodriguez wanted to ensure that the Board is aware of a gap in the Rules and Regulations that she has been working on with Matt. She stated that clearly the new structures that are coming in are of a height that she believes is higher than what is specified in the current Rules and Regulations. However, Matt is approving them. Carol-Joy replied that that gap is but one of about 200, and this is why we need the new Rules and Regulations.

E. OLD BUSINESS

There was no old business to discuss.

F. NEW BUSINESS

There was no new business to discuss.

G. DETERMINATION OF NEXT PAC BOARD MEETING AND ANNUAL MEETING

Saturday, June 3rd, 2023, at 12:00 P.M. (Annual PAC Board and Membership Meeting)

Tuesday, June 6th, 2023 at 6:00 P.M. (Monthly PAC Board Meeting)

H. ADJOURNMENT

The meeting was adjourned at approximately 8:19 P.M.

Respectfully submitted,

Terri Beauséjour
Recording Secretary