2026/27 PAC Budget Request Communications with City of Novato

The Novato City Council recently approved the MVMCC Operating Budget for FY 2026-27. The PAC Board requested funds for legal expenses, along with cost reductions for wildfire mitigation, supplemental city fees, and property insurance, **but city staff denied all requests**.

Following is the email exchange between Brad Witherspoon (PAC President) and Bill Rose (Assistant City Manager).

[July 8, 2026]

Hi Bill,

I hope this email finds you well.

I got back from Scotland yesterday and received a copy of the City's FY 2026-27 operating budget (draft) for MVMCC. I was disappointed to find that several of the budget items requested by PAC and listed below in this email were not included in the latest draft. **Does this mean that the City has officially declined these requests?** The PAC believes these are reasonable proposals, and three of them could save MVMCC around $225,000.

If the City has decided to reject these requests, I would like their reasons provided in writing. The PAC intends to include the City's responses when we send the final MVMCC budget to residents in our upcoming residents update.

Your prompt response would be greatly appreciated.

Regards,
Brad Witherspoon
PAC Board President

PAC FY 2026-27 BUDGET REQUESTS:

PAC Legal Fund- New Account. The PAC believes access to legal counsel for Park operations is crucial for effective collaboration with the City. The City Attorney prioritizes the City's interests, requiring residents to pay for legal advice when needed. Having legal counsel benefits both parties, but this account will only cover Park operations—not acquisitions. Residents remain responsible for legal costs related to acquiring MVMCC.

Wildfire Mitigation Acct. 84009- Total Budget $125,000. The issue here is why is MVMCC paying for wildfire mitigation on city-owned TPL land, when it benefits all nearby housing properties? During the December 9, 2013 Special City Council Meeting with MVMCC residents to discuss the purchase of the TPL land, Henry Frummer, an MVMCC resident asked …."if the land was purchased, would it become part of MVMCC land, and if the Park would be responsible for its upkeep?" **Michael Frank, the City Manager made it quite clear in his response that although the City was taking $250,000 from MVMCC reserves to put towards the "purchase" of the 90 acres- "The property would be owned and maintained by the City"**. [See attached "2013-12-09_CC TPL ACQ_MINUTES", page 3 – *Note: the quote is included later*.] Since 2014 MVMCC has paid over $1,000,000 (including the $250,000) for maintaining this "city-owned" property. During the recent budget meeting, the City's initial responses to our question as to why MVMCC is paying this expense- "It's City Funds" and "..MVMCC residents are the primary beneficiaries" are in direct conflict to what residents were told during that 2013 meeting namely- "The property would be owned and maintained by the City".

Owners Expense Acct. 94022- Total Budget $100,000 ($25,000+$75,000) The Bank of Marin loan agreement, page 7 **"Operation and Maintenance Costs"** which addresses City reimbursements for "reasonable and necessary costs and expenses to maintain and operate the Park", item (d) states the City can be reimbursed for ...."the reasonable administrative costs of the City attributable to the operation and maintenance of the Park (but not in excess of $25,000 in any Fiscal Year.). Audit fees should be considered "reasonable and necessary" costs to operate and maintain the Park. Yet the City is budgeting $8,000 or 10% of its total audit costs to MVMCC, despite MVMCC being responsible for less than 1% of the City's overall annual revenue and expenditures. PAC recognizes that item (c) of the same paragraph does carve out an exception for City costs and expenses ..."properly chargeable to the capital account for the Parks". However, MVMCC pays the City In-Lieu-of Taxes, which in FY 26/27 is budgeted for $83,772. This means the City is budgeted to receive $108,772 from MVMCC. As we mentioned during the budget meeting, the residents of MVMCC are entitled to receive the same city services the as other residents of the City of Novato. We feel $108,000 should be sufficient to cover the City's costs. The City claims it can do a better job than the residents of keeping MVMCC affordable for seniors, but these extra fees lead to higher operating costs and weaken this assertion.

Insurance - Property & Liability Acct. 93000- Total Budget $313,148. The PAC, in collaboration with Sheri Smyth—a MVMCC resident with over 25 years of experience as a Risk Manager—has invested significant time and effort to secure liability insurance at a much lower cost than what the City was charging MVMCC. Further savings were achieved by eliminating unnecessary policies, including cybersecurity and workers' compensation coverage that the City had previously purchased. **While the delegation agreement assigns the City responsibility for MVMCC's property liability insurance, the PAC wants to explore potential savings through our insurance brokers. Based on our initial research we anticipate a minimum savings of $30,000.** However, we need the City's property liability requirements to get a more reliable comparable quote.

[Monday, July 13, 2026, reply from Bill Rose]

Hi Brad,

Welcome back, and I hope your trip went well. Thanks for your email and for the effort you and the PAC have put into the FY 2026-27 operating budget requests.

Staff reviewed and carefully considered all the PAC's submissions, including those outlined in your message and the additional information shared during our meetings in May. Your input was part of an open and transparent budget development process and helped inform both staff's recommendations and the discussions leading up to the City Council's adoption of the FY 2026-27 budget.

Some of the PAC's requested items were not included in the adopted operating budget. Below is a summary of how each request was evaluated, consistent with what we have discussed previously:

Wildfire Mitigation, Account 84009
The adopted budget for wildfire mitigation is $150,000, which reflects the amount discussed during our meeting with the PAC. These are City funds, and the City has the discretion to direct them toward this work. The City recognizes the PAC's concerns and the history of the TPL acquisition; however, based on the evaluation conducted during the budget process, the current funding level was maintained.

Owners Expense, Account 94022

The budget includes $8,000 for audit costs. MVMCC's audit requirements are substantial because it is treated as a distinct financial operation within the City due to its delegated property management structure. Regarding staff time, the budget includes $100,000. The Bank of Marin loan agreement sets a cap of $25,000 only for purposes of calculating the debt service coverage ratio. As Finance has fully caught up on MVMCC accounting, we have a clear understanding of the actual workload associated with this fund.

Insurance – Property and Liability, Account 93000

The adopted budget includes $260,000, reflecting the reduced insurance costs associated with the policy the PAC helped obtain. Staff appreciates the PAC's work in securing significant savings and eliminating unnecessary coverages and incorporated those savings into the adopted amount.

PAC Legal Fund – New Account

After review, it was determined that a dedicated legal fund for PAC use is not appropriate from a public-funding perspective. It would also be difficult for the City to monitor and administer such an account effectively. As a result, the adopted budget includes zero funding for this item.

These written explanations summarize how each request factored into the budget process and the basis for the recommendations that went to the Council. The full Council meeting packet—including the staff report and attachments—can be found at: https://www.novato.gov/government/city-council/agendas-minutes-videos

Regarding your question about whether the absence of these items from the adopted budget means they were officially declined: the Council adopted the budget as recommended, which does not include some of the PAC requests.

Separately, we are happy to schedule a meeting to discuss the transition to an accrual basis for MVMCC's financials. I'll connect with you, David King, John Hansen and Andrew Hay under a separate email to coordinate that meeting.

Thanks again for your continued collaboration.

Sincerely,

Bill

Bill Rose, AICP
Assistant City Manager | City of Novato

[Brad Witherspoon's response, July 13]

July 13, 2026

Hi Bill,

Words cannot express the disappointment I felt when I read your email. As I stated in my previous email, the PAC believes our requested budget items were reasonable. I do thank you for at least including the City's reasoning in rejecting our requests. However, we do take exception to some of reasoning provided.

Wildfire Mitigation, Account 84009 ***"These are City funds and the City has the discretion to direct them toward this work."*** This is contrary to what the City told residents in the December 9, 2013, meeting, when then City Manager Michael Frank told residents, **"the property would be owned and maintained by the City"**. Residents were NOT told that maintenance costs would be taken out of the revenue from MVMCC rents. Revenue that could be allocated to MVMCC reserves for future Park capital improvements is currently being used by the City to cover maintenance costs for City-owned land. The City has consistently expressed its desire to maintain a positive working relationship with MVMCC, founded on mutual trust. However, residents are finding it difficult to foster such trust when commitments made by previous City officials are not upheld by current staff.

PAC Legal Fund – New Account "***After review, it was determined that a dedicated legal fund for PAC use is not appropriate from a public-funding perspective."*** The 1997 Marin Valley Mobile Country Club Delegation Agreement granted the Park Acquisition Corporation exclusive authority to operate and control the Park and required that a majority of the PAC board consist of Park tenants. Although the subsequent amendments have materially reduced the scope of PAC authority, the **PAC is still tasked with overseeing specific Park operations on behalf of the City.** If the City considers MVMCC part of its operations, what legal options does the PAC have when asked to sign agreements or when operational disputes arise? The City Attorney has clearly stated his loyalties in several meetings. As a result, if MVMCC residents encounter situations requiring legal advice or assistance, whether for operational concerns or for evaluating City-drafted agreements, they are expected to pay these expenses themselves, out of pocket.

The other reason provided- ***"It would also be difficult for the City to monitor and administer such an account effectively"*** seems disingenuous when you consider that the City has on numerous occasions rejected expenses submitted by the PAC. The City Attorney declined John Hansen's reimbursement request for the computer acquired solely for PAC Zoom meetings, **after** the payment had already been processed. John was required to return the funds. The PAC made it perfectly clear in our budget request that the PAC Legal Fund could only be used for Park operations. When this issue was discussed in our in-person meetings PAC agreed to working with the Staff to create guidelines as to how the funds may be used.

I watched the video of City Council's June 23 budget meeting. There was no discussion of the PAC's specific budget requests. I also noticed your email states that "**Staff reviewed** and carefully considered all the PAC's submissions" and that the individual City Council members were not included in your reply. I have added them to this email to make them aware of the PAC's response.

PAC will send a residents update later this week about the City-approved MVMCC budget, including your explanations. A separate message will also be sent to MVMCC supporters outside the community.

Regards

Brad Witherspoon
PAC Board President

(Attachment)

TPL -Trust for Public Land issue

In 2014 City approached the PAC board with a request for $250K from our reserves to purchase the TPL lands bordering the Park from the south. The cost was reported at $500K, a 92% reduction in value. We have on record the following statement:

"Henry Frummer (sic) asked for clarification on whether, if the land was purchased, it would become part of MVMCC land, and if the Park would be responsible for its upkeep…

City Manager Frank responded to questions raised during Public Comment, stating that the last question could be summed up as follows: The property would be owned and maintained by the City. Once city made the purchase, it would be within the City's control."

Novato City Council Meeting Minutes, Dec 9, 2013

Additional MVMCC Comments for Residents:

The City did not share that they had applied for and received a grant for $500K to purchase the land. The City booked our $250K contribution as "administrative costs." The City took the zoning designation applicable to the TPL land and converted three large Federally owned parcels within Hamilton designated only for public benefit…. and with this zoning transfer converted the parcels for development. **The City sold two of the three parcels for over $8.2 Million.** The City did not refund our $250K, nor share any of the profits from the transaction with MVMCC. In addition, MVMCC has been spending up to $150K of our reserves annually to pay for fire mitigation on the TPL land the City purchased and stated on record they owned and would pay to maintain. The City claims we benefit from the fire safety precautions. However, it is a well-known fact fire embers travel over 2 miles, so all the communities within a two-plus-mile radius benefit, not just MVMCC, yet the City makes us pay the full cost of the fire mitigation.

THESE ARE NOT CITY FUNDS that can be used at the City's discretion. The City has NO equity in MVMCC as all our expenses are paid through our rents and reserves. The Six Housing Element page 39, dated April 2023, states that all monies in excess of rents must go to the reserves for the benefit of the residents. Therefore, our requests have nothing to do with the "APPROPRIATENESS OF PUBLIC-FUNDING," as stated by City staff.

We should not have to distinguish between operations and acquisition, as the latter is clearly spelled out in the PAC articles and bylaws, and operations is defined in the Delegation Agreement. Again, funds generated by MVMCC residents ARE NOT THE CITY'S to either provide nor withhold on this distinction.