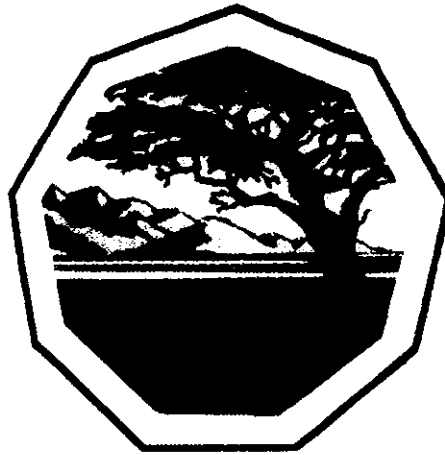


Fort Ord
Reuse Authority



Board Packet
For
Board Meeting
June 11, 2010



Fort Ord Reuse Authority

100 12th Street, Building 2880, Marina, CA 93933

Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

BOARD OF DIRECTORS MEETING

Friday, June 11, 2010 at 3:30 p.m.

FORA Conference Facility/Bridge Center

201 13th Street, Building 2925, Marina (on the former Fort Ord)

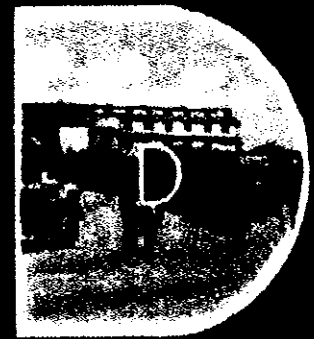
AGENDA

1. **CALL TO ORDER AND ROLL CALL**
2. **PLEDGE OF ALLEGIANCE**
3. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**
4. **PUBLIC COMMENT PERIOD:** Members of the audience wishing to address the Board on matters within the jurisdiction of the Authority but not on the agenda may do so during the Public Comment Period. You may speak for a maximum of three minutes on any subject. Public comments on specific agenda items will be heard at the time the matter is being considered by the Board.
5. **CONSENT AGENDA** ACTION
 - a. May 14, 2010 board meeting minutes
 - b. Authorization to advertise for bids: General Jim Moore Boulevard Phase V and Eucalyptus Road Phase II restoration of construction components
 - c. Preston Park Financing Memorandum of Agreement
6. **OLD BUSINESS**
 - a. Fort Ord Reuse Authority FY 10-11 Preliminary Budget ACTION
 - b. Capital Improvement Program for FY 2010/11: status report INFORMATION
7. **NEW BUSINESS**
 - a. Promissory Note between FORA/Salinas Valley Memorial Healthcare System/City of Marina ACTION
 - b. Preston Park Budget for FY 2010/11 ACTION
8. **EXECUTIVE OFFICER'S REPORT**
 - a. Administrative Committee report INFORMATION
 - b. Executive Officer's travel report INFORMATION
 - c. Finance Committee report INFORMATION
 - d. Status of outstanding receivables INFORMATION
9. **CLOSED SESSION**

Public Employee Performance Evaluation (Gov. Code §54957)
Position: Executive Officer
10. **Report out of Closed Session**
11. **ADJOURNMENT**

(Information about items on this agenda is available at the FORA office at 100 12th Street, Building 2880, Marina, on the former Fort Ord or by calling 831-883-3672 or by accessing the FORA website at www.fora.org.)

Greetings from



CALIFORNIA

Free Tours of Fort Ord

Saturday June 26, 2010- Meet at Building 4522 Ord Military Community

To get there: Take Exit 406 on Highway 1. Follow the signs from Lightfighter Drive.

Learn more about the cleanup of the former Fort Ord at the semi-annual community Bus Tour and Open House. Take a free 90 minute guided bus tour of military munitions cleanup areas at the former Fort Ord. This event is free. No reservations are required. Each tour is the same, so pick a time that works for you.

Bus Tours—depart from Building 4522

Tour 1 Depart 10:00

Tour 2 Depart 11:45

Don't want to tour, then join us at the Open House from 10:00 am – 1:00 pm.

Directions from Highway 1: Take Exit 406. Stay on Lightfighter Drive. Pass General Jim Moore Boulevard. Turn left onto Colonel Durham Road. Turn left onto 8th Avenue. Turn Right onto Joe Lloyd Way. Building 4522 is at the end of the road.

A map showing the bus pick-up location is on the internet at www.FortOrdCleanup.com or by calling (831) 393-1284.

Certificate Of Appreciation

PRESENTED TO

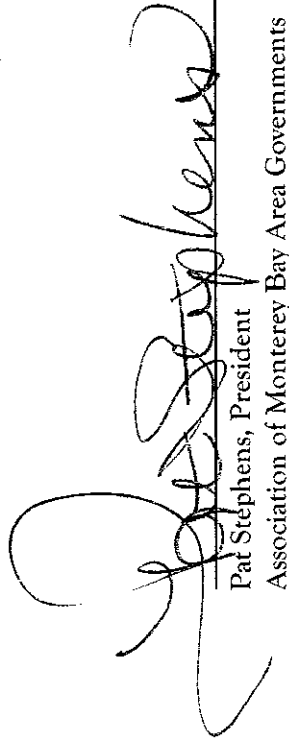
FORA

ON THIS DAY JUNE 9TH, 2010

IN RECOGNITION OF YOUR SPONSORSHIP OF THE
MONTEREY BAY REGIONAL ECONOMIC FORUM 2010



David Pendergrass, President
Regional Analysis & Planning Services, Inc.



Pat Stephens, President
Association of Monterey Bay Area Governments

MINUTES
of the
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Fort Ord Reuse Authority Conference Facility/Bridge Center
June 11, 2010

1. CALL TO ORDER AND ROLL CALL

Chair Supervisor Potter called the June, 2010 Board of Directors meeting to order at 3:30 p.m. and requested a roll call.

Voting members present:

1st Vice Chair/Supervisor Potter
(County of Monterey)
2nd Vice Chair/Councilmember McCall
(City of Marina)
Supervisor Parker (County of Monterey)
Jim Cook, alternate for Supervisor
Calcagno (County of Monterey)
Mayor Pendergrass (City of Sand City)

Mayor McCloud (City of Carmel-by-the-Sea)
Mayor Edelen (City of Del Rey Oaks)
Mayor ProTem Ken Grey (City of Marina)
Mayor ProTem Steve Bloomer (City of Seaside)
Councilmember O'Connell (City of Marina)
Councilmember Mancini (City of Seaside)
Mayor ProTem Kampe (City of Pacific Grove)

Absent was Councilmember Barnes (City of Salinas).

Arriving after the roll call was Councilmember Vice Mayor Selfridge (City of Monterey).

Ex-Officio members present:

Alec Arago, 17th Congressional District
An McDowell, 27th State Assembly District
Graham Bice (UCSC)
Douglas Garrison (Monterey Peninsula College)

Col. Darcy Brewer (U.S. Army)
Gail Youngblood (BRAC)
Don Bachman (TAMC)
John Marker (CSUMB)
Ken Nishi (Marina Coast Water District)

Arriving after the roll call was Hunter Harvath (Monterey-Salinas Transit).

With a quorum present Chair Potter called the meeting to order.

2. PLEDGE OF ALLEGIANCE

Chair Potter led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

- i. Supervisor Parker announced that, on behalf of the Association of Monterey Bay Area Governments (AMBAG), Mayor Pendergrass Sand City, presented FORA with a certificate of appreciation for co-sponsoring the Monterey Bay Regional Economic Forum.
- ii. Base Closure and Realignment Commission (BRAC) - Gail Youngblood, announced the free open house and tours of the Fort Ord on Saturday the 26th of June beginning at 10:00 a.m. Building 4522 in the Ord Military Community. Flyers were provided to the public.
- iii. Executive Officer Houlemard acknowledged Congressman Sam Farr's support during FORA's Legislative trip to Washington, DC – May 2010. If interested, FORA staff can provide copies of the thank you letters from Chair Rubio to the various government offices visited during the FORA Legislative trip to Washington, DC.

4. PUBLIC COMMENT – None

5. CONSENT AGENDA

Item 5a. - May 14, 2010 board meeting minutes

Item 5b. - Authorization to advertise for bids: General Jim Moore Boulevard Phase V and Eucalyptus Road Phase II restoration of construction components

Item 5c. - Preston Park Financing Memorandum of Agreement

Supervisor Potter asked if there were any concerns with the items on the Consent Agenda. Supervisor Parker requested to pull item 5b. Executive Officer Houlemard pointed out that everyone had a specific listing about item 5b, and of how the General Jim Moore (GJMB) project has moved ahead. Supervisor Parker stated that because there are things that the Board has asked to be included and there are changes, and there are specific things that the EDA has requested, it would be useful for the Board to actually see the things that are going out. Supervisor Parker stated she would be more comfortable approving this item if she had seen the actual materials to confirm that everything we are asking for is included. Supervisor Potter asked Executive Officer Houlemard for further clarification. Executive Officer Houlemard referred to the handout titled "Items the FORA Board approved restoring to the GJMB/Eucalyptus Road Improvement Project if additional funding becomes available – Economic Development Administration (EDA) Grant Award #07-79-73004", page 2 – previously approved for submittal as contract change orders, requested (to the EDA) for consideration as contract change orders, and requested for consideration as follow-on construction contract. The Board had approved contract change orders and modifications to the existing contract/or future award, on February 11, 2010, and CIP/ARRA Task Force recommendations for follow-on construction March 12, 2010. The regional EDA office approved inclusion of the February 11, 2010 Board approved items with the exception of the signalization of Coe Ave.-Eucalyptus Rd. and General Jim Moore Blvd. intersection. EDA's rationale for excluding this intersection was that it is outside of the original grant project area. EDA also determined that, with inclusion of these requested items, FORA would fully expend its EDA grant award. Therefore, EDA would not review the March 12, 2010 Board approved items.

Supervisor Parker asked if the items on page 2 (of the handout) are the items that will be included in the bid. Executive Officer Houlemard responded affirmatively and said that he could provide Supervisor Parker with copies of the bid documents once they were prepared. Councilmember Mancini raised a concern about the intersection of Coe Ave.-Eucalyptus Rd. and General Jim Moore Blvd. needing to be signalized because of Fitch Middle School enrollment increases. Executive Officer Houlemard recognized the concern and summarized that the Board had previously directed FORA staff to maximize use of EDA grant funds. Since this intersection is outside of the original grant project area, including it would mean processing a grant amendment requiring review from the EDA's Washington, DC, office. Such a review would inevitably result in EDA sweeping back these grant funds. FORA staff member, Jim Arnold commented that this item is only for advertising to receive bids for restoration of General Jim Moore Blvd./Eucalyptus Road project construction components. Once bids are received for this work, the Board will have another opportunity for viewing bid results as the Board approves the resulting contract before work proceeds. Executive Officer Houlemard thanked all of the Board members for their patience in regard to the American Recovery and Reinvestment Act (ARRA) terms and conditions, stating these are unique. Supervisor Potter further noted that, after adequate discussion and clarification on 5b., the one take away from this [discussion] was the importance of the intersection at Coe and Eucalyptus based on the changing demographics of the school district and highlighted that as needing a source of funds. With no further discussion, Supervisor Potter called for a motion. **Motion to approve the Consent Agenda was made by Supervisor Parker, seconded by Mayor McCloud, and carried.**

6. OLD BUSINESS

Item 6a. - Fort Ord Reuse Authority FY 10-11 Preliminary Budget Executive Officer Houlemard gave a PowerPoint presentation regarding the FORA operating budget, which had been reviewed by both the Finance and Executive Committees. In summary, the FY 2010 – 2011 operating budget will include about \$16M in expenditures and almost \$19M in revenues. Many of the revenues are carryover and come from the American Recovery and Reinvestment Act (ARRA) dollars, as well as funds that were borrowed when the Preston Park loan was accomplished. Executive Officer Houlemard stated that not all of the funds will be spent by the end of the year and it is anticipated there will be about \$2.7M remaining, which could be carried over to the following year because there could be remnant funds from the second phase of the GJMB & Eucalyptus project.

Executive Officer Houlemard stated that it is anticipated that much of the major revenue sources for FY 2010-2011 will be from grants and \$6,228,936.00 is mostly from the ARRA grant but a portion are carryover funds for the Veterans cemetery infrastructure project. He said that staff does anticipate lease rental payments of \$1,547,562 most of which is from Preston Park further noting there is also a possibility of tax increment funds of about \$1M, reduced from last year.

Executive Officer Houlemard noted that there may be some land sale proceeds and community facilities district fees. However, there are not many currently planned for the coming year. Other revenues come from a number of different sources; membership dues under state law in the authority act, franchise fees from the Marina Coast Water District (MCWD), reimbursements for the loan for the insurance program that covers FOR A and its

jurisdictions - Pollution Legal Liability (PLL) insurance, and mitigation payments under an agreement with California State University Monterey Bay (CSUMB).

Executive Officer Houlemard stated that the anticipated expenditures for 2011 include Capital Improvement Projects (CIP), most of the \$9M includes the 9-mile GJMB/Eucalyptus Phase V project. The debt service; \$114,000 per month is associated with the Preston Park loan and the debt for the PLL insurance payments. Every year, FORA is able to expend funds for the work done under the Environmental Services Cooperative Agreement (ESCA) grant, both for associated FORA administrative costs and for work performed by the regulatory agencies that review the work completed under the ESCA. Executive Officer Houlemard stated that \$1M is estimated and there is a reserve of about \$6M to cover future costs. He said that Habitat Conservation Planning (HCP) costs are associated with the publishing of the HCP, environmental consultants, management obligations, UC contract and planning work. Executive Officer Houlemard further noted that the CIP budget will be reviewed/approved in July/August. Executive Officer Houlemard stated that, two times in the past, the Board has approved the operating budget in June and held the CIP for later, noting that last year it was held until December. The actual placement in time of capital projects and revenues that come from capital projects for coming years will be part of that CIP process.

Executive Officer Houlemard covered the salaries and benefits which were baseline budgeted for FY 10-11 at the same level as FY 08-09 in terms of the number of positions, further noting that staff had been reduced a couple of years ago, and reduced again most recently by one-half (1/2) position to keep in line with what Supervisor Potter terms as the 1997 "minimalist approach" to FORA operations and administration. Staff proposed and the Executive Committee is recommending restoring merit increases/adjustments, reclassifications for positions not filled; however, no benefit increases and no cost of living adjustments are proposed. Supplies stay at the same level for FY 2011 as they were for 2009/2010 and there is \$100K set aside for the FORA office move, which is the same \$100,000 as in last year's budget, just carried over.

Executive Officer Houlemard said that consultant costs needed in order to maintain necessary services for finance, revenue bonds, property transfers, legal review of deeds and other documents remain the same and that staff requested approval of the FY 2010/2011 operating budget. There were no board or public comments. **Motion to approve the FY 2010/2011 budget was made by Mayor McCloud seconded by Councilmember Mancini, and carried.**

Supervisor Parker asked a question of Executive Officer Houlemard if there was a projection of several years - since FORA sunsets, "how do we wind things down? Is there a process that might be followed?" Executive Officer Houlemard replied stating that FORA has considered a multi-year budget with the Capital Improvement Program and the Preston Park sale (beyond FORA life) for a stable understanding of the revenue sources, and proposed taking the idea back to the Finance Committee Chair.

Item 6b. - Capital Improvement Program for FY 2010/11: status report Executive Officer Houlemard reported that the Administrative/CIP Committees met several times to discuss the Capital Improvement Program and there may be an opportunity to provide grant matching funds to a Transportation Agency for Monterey County (TAMC) project and staff will bring the item back in July as more time is needed to prepare for a detailed presentation.

7. OLD BUSINESS

Item 7a. - Promissory Note between FORA/Salinas Valley Memorial Healthcare System (SVMHS)/City of Marina Executive Officer Houlemard reported that FORA, SVMHS, and the City of Marina previously reviewed project components for consistency determinations. The City of Marina is prepared to acquire property from the Army and, once the transfers are completed, sell the property to SVMHS. The SVMHS has indicated they would like to pay for the property in two pieces due to their budget constraints. The first piece would be right away upon property transfer, (fifty-percent (50%) of the purchase price) and the remainder by December 2010.

Executive Officer Houlemard stated that the City of Marina was counting heavily on having the money for its current FY budget (about \$1.2M) this year. The City has asked if FORA would consider taking a promissory note for its 50% share of the property sale with a market interest rate, and have the note come due by the end of the calendar year. There is a draft of the promissory note received by the City of Marina, with a market rate interest to be filled in at the time of transfer. Executive Officer Houlemard asked the Board to authorize FORA Staff/Executive Officer to negotiate and execute the promissory note allowing Marina to borrow 50% of the initial purchase price through the end of the calendar year. After further Board discussion, Executive Officer Houlemard clarified that, of the \$2.4M sales price, FORA would receive a delay in their payment and would hold a note for the City of Marina for \$1.2M. However, all of the details have not yet been worked out and Authority and City of Marina Counsels will review prior to finalization of the document.

Supervisor Potter commented that this is very a good example of this agency doing something good for a sister organization in the spirit of cooperation. **Motion to approve items 1, 2 and 3 in the recommendation regarding the Promissory Note between FORA/SVMHS/City of Marina, was made by Mayor ProTem Kampe, seconded by Councilmember Mancini, and carried.**

Item 7b. - Preston Park Budget for FY 2010/11 – Executive Officer Houlemard reported that the City of Marina approved using a different form of rent increases, which requires the FORA Board to concur with their recommendations. Staff agrees that the formula approach, which the FORA staff and the City of Marina have worked on for the past 3-4 years and the City of Marina City Council approved on June 2, 2010, be increased according to the consumer price index used in San Francisco, Oakland, and San Jose areas. **Motion to approve the Preston Park Budget for FY 2010/11 was made by Mayor Edelen, seconded by Mayor McCall, and carried.**

8. EXECUTIVE OFFICER'S REPORT

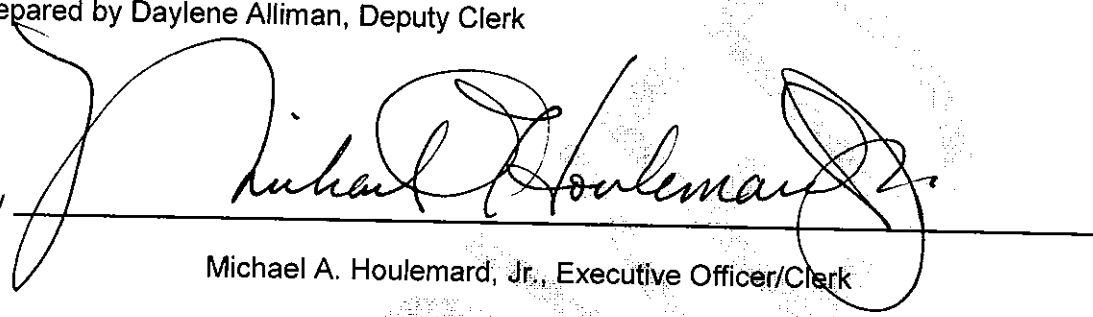
There was no discussion about the three items in the Executive Officer's Report (Item 8a – Administrative Committee report; Item 8b – Executive Officer's travel report; and Item 8c – Finance Committee report and 8d – Status of outstanding receivables), and they stood as information items.

9. Chair Potter adjourned to Closed Session at 4:11 p.m.

10. CLOSED SESSION - Public Employee Performance Evaluation (Gov. Code §54957)
11. REPORT OUT OF CLOSED SESSION – The Board met with FORA's Executive Officer and gave him direction and authority.
12. ADJOURNMENT – There being no further business, Chair Potter adjourned the meeting at 4:26 p.m.

Minutes prepared by Daylene Alliman, Deputy Clerk

Approved by



A large, stylized handwritten signature in black ink, which appears to read "Michael A. Houlemard, Jr.", is written over a solid horizontal line. The signature is highly cursive and loops around itself.

Michael A. Houlemard, Jr., Executive Officer/Clerk

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject:	Authorization to advertise for bids: General Jim Moore Boulevard Phase V and Eucalyptus Road Phase II restoration of construction components	
Meeting Date:	June 11, 2010	ACTION
Agenda Number:	5b	

RECOMMENDATION:

Authorize staff to bid the General Jim Moore Boulevard Phase V and Eucalyptus Road Phase II ("GJMB/EUC") improvement project restoration construction components.

BACKGROUND/DISCUSSION:

At the March 2010 Fort Ord Reuse Authority ("FORA") Board of Directors ("Board") meeting, the Board approved restoring construction components set aside from the original GJMB/EUC construction documents to meet the engineer's opinion of probable cost. Bids lower than the opinion of probable cost were received and therefore, American Recovery and Reinvestment Act ("ARRA") ARRA grant funds are available to restore these components. Items that could not be added to the current construction project via change order have been packaged together into a new construction document.

FORA staff requests that the Board authorize the advertisement of the new construction document for competitive bids.

FISCAL IMPACT:

Reviewed by FORA Controller M. F. for I.B.

Staff time and advertisement costs are included in the approved FY 09-10 budget.

COORDINATION:

FORA Executive, Administrative, and Capital Improvement Program Committees, City of Seaside staff, Economic Development Administration staff

Prepared by 
James M. Arnold

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject: Preston Park Financing Memorandum of Agreement

Meeting Date: June 11, 2010

Agenda Number: 5c

ACTION

RECOMMENDATION(S)

Authorize the Executive Officer to execute the attached Preston Park Financing Memorandum of Agreement ("MOA") ("**Attachment A**") between the Fort Ord Reuse Authority ("FORA") and City of Marina ("Marina").

BACKGROUND/DISCUSSION

On June 12, 2009, the Board authorized the Executive Officer to execute a loan with Rabobank using FORA's share of Preston Park revenue. On February 11, 2010, the FORA Board approved Resolution 10-04, codifying the previous Board action to meet Rabobank outside counsel's requirements. In March 2010, FORA obtained the \$19 million loan from Rabobank, which is financed through FORA's Preston Park lease proceeds with monthly payments (principal and interest) not exceeding \$120,000 per month, as directed by the FORA Board.

FORA and Marina each receive 50% of Preston Park revenues, consistent with the Authority Act and the FORA-Marina Implementation Agreement. Marina has expressed concern and requested certain assurances related to FORA's loan. Marina has requested that such assurances be formalized in an MOA. The MOA is consistent with previous Board action related to this item and provides additional assurances to Marina.

FISCAL IMPACT

Reviewed by FORA Controller *M. F. for I. B.*

FORA has designated the financing proceeds to provide stimulus grant local matching funds, retire existing debt, and accommodate anticipated development projects and required reserves.

COORDINATION

Marina, Marina Counsel, Authority Counsel, Administrative and Executive Committees

Prepared by

Jonathan Garcia
Jonathan Garcia

Reviewed by

D. Steven Endsley
Steve Endsley

Approved by

Michael A. Houlemard, Jr.
Michael A. Houlemard, Jr.

MEMORANDUM OF AGREEMENT
BETWEEN THE
FORT ORD REUSE AUTHORITY
AND
THE CITY OF MARINA
REGARDING PRESTON PARK FINANCING

This Memorandum of Agreement is entered into this ____ day of _____, 2010 between the Fort Ord Reuse Authority, a subdivision of the State ("FORA") and the City of Marina, a charter city ("City") with regard to the following facts:

I. RECITALS

A. FORA is a regional agency established under Government Code Section 67650 to plan, facilitate and manage the transfer of former Fort Ord Army Base property from the United States Army (the "Army") to the governing local jurisdictions or their designee(s).

B. That property, more particularly described in Exhibit A (the "Property") and commonly referred to as "Preston Park," is located on the former Fort Ord within the territorial jurisdiction of the City. Title to Preston Park is held by FORA. Preston Park contains 352 housing units, which are currently rented under agreements between FORA and the City. Net revenues from the rental of the Preston Park are divided equally between the City and FORA.

C. The City and FORA are parties to that certain Implementation Agreement dated May 1, 2001 ("Implementation Agreement"). The Implementation Agreement provides for the acquisition and disposition of property located at the Former Fort Ord Army Base and within the territorial jurisdiction of the City of Marina.

D. The Implementation Agreement contains provisions governing the future disposition of Preston Park as well as the division of rental revenues from Preston Park between the City and FORA.

E. FORA, on February 25, 2010, entered into a Loan Agreement evidenced by a Promissory Note with Rabobank, N.A., a national banking association. Under that Agreement, FORA received \$19,000,000 in financing proceeds (the "Loan"). The Loan is secured by a first deed of trust on the Property.

F. As a condition of approving the Loan, the FORA Board committed to protect the City's fifty percent (50%) interest in the Preston Park share in the rental proceeds. That interest is documented by provisions in the Implementation Agreement, the Management Agreement for Preston Park and the parties' course of dealings. The Parties expect that Marina will acquire Preston Park during this 2010 calendar year.

G. The City and FORA now desire to enter into this MOA to set forth the parties' understanding with regard to the Loan, the City's interest in Preston Park and the parties' future course of conduct with respect to Preston Park.

II. AGREEMENT

Now, therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Debt Service Payments. FORA acknowledges that FORA is solely responsible for the payment of all debt service on the Loan. In accordance with the Promissory Note, the Loan carries an adjustable interest rate based on the LIBOR index plus 3.25% points. FORA represents that it has entered into a Hedge Agreement with Rabobank which provides that the interest rate charged to FORA will be fixed for the term of the Loan at 5.98% resulting in fixed debt service payments every month, reflecting a 30-year amortization period. FORA will make debt service payments on the Loan from the portion of the Preston Park Net Revenue received by FORA each month. If FORA's share of the Preston Park Net Revenue is insufficient to make the monthly debt service payment on the Loan, FORA hereby agrees to make such debt service payments from FORA's other sources of funds and in no event will any such payments be made from the City's share of the Preston Park Net Revenues. In addition, FORA shall be responsible to cure any default occurring under the Loan from FORA's share of the Preston Park Net Revenues or FORA's other sources of funds, but in no event shall the City's share of the Preston Park Net Revenue be used to cure any default.

For purposes of this Agreement the "Preston Park Net Revenue" means the revenue received from Preston Park from rents and all other related income minus all costs of operating Preston Park, including management, maintenance and operating costs as well as any deposits into reserve funds approved by FORA and the City as part of the approval of the annual budget for Preston Park. FORA's share and the City's share of the Preston Park Net Revenue shall each be equal to fifty percent (50%) of the Preston Park Net Revenue.

2. Defaults. FORA agrees that if it receives a Notice of Default from Rabobank regarding the Loan, FORA shall provide the City with a copy of such notice immediately upon its receipt but in no event later than five (5) calendar days after receipt. If the City offers to cure any default that can be cured by the City, FORA agrees that FORA will accept such cure from the City and that FORA will tender the cure to Rabobank immediately upon receipt of all such funds necessary for such cure but always within the applicable time for cure. If the City offers to cure a default, the amount of any funds advanced by the City to cure such a default shall be credited against the purchase price for the Preston Park property owed by the City to FORA when and in the event the City purchases the Preston Park Property plus interest at the same interest rate as rate of interest rate on the Loan. If the Preston Park Property is sold to a third party, the funds advanced by the City to cure any default shall be repaid by FORA with interest at the same rate of interest as the rate of interest on the Loan from FORA's portion of the sale proceeds. In determining the amount of interest owed on any advance made by the City on FORA's behalf, interest shall be calculated in the same manner as the Loan from the date the City disbursed funds to FORA.

3. Direct Payment of Loan. At any time during the term of the Loan, regardless of whether the Loan is in default, the City may direct the Preston Park Property manager to pay the debt service on the Loan directly to Rabobank from FORA's share of the Preston Park Net Revenue by providing written notice to FORA of such election at least thirty (30) day prior to directing the property manager to make such payments directly to Rabobank. If the City directs the property manager to make debt service payments, FORA shall upon receipt of such notice of election, provide the City and the property manager with the debt service schedule for the loan, any payment coupons or other information necessary to ensure the proper delivery of the loan payment. If the City directs the property manager to make the loan payments directly to Rabobank, any late fees or other penalties for late payments shall be the responsibility of the City and shall be paid from the City's share of the Preston Park Net Revenue.

4. Assumption and Prepayment Fees. FORA and the City acknowledge that the terms of the Loan prohibit any assumption of the Loan by the City or any other successors to FORA's interest in the Preston Park property. Notwithstanding the fact that the Loan prohibits assumption of the Loan, Rabobank has informed FORA and the City that it will evaluate any request for assumption based on standard underwriting criteria and that if Rabobank allows assumption, an assumption fee would normally be required. If Rabobank approves assumption of the Loan by the City, the City will be responsible for payment of any assumption fees or other fees charged by Rabobank related to such assumption.

Under the terms of the Hedge Agreement early payment of the Loan can trigger an unwind fee or prepayment fee. If the City acquires the Preston Park property and such acquisition triggers a prepayment fee, FORA shall be responsible for payment of any such prepayment or unwind fees or any other fees associated with the payoff of the Loan.

5. Foreclosure. If FORA defaults on the Loan and Rabobank or any other lender forecloses on the Preston Park property pursuant to the deed of trust, either by judicial or non-judicial action the City shall be entitled to an amount equal to fifty percent (50%) of the total amount of the foreclosure sale proceeds received by Rabobank or such other lender. To provide the City with its fifty percent (50%) share of the foreclosure sales proceeds, upon receipt of any proceeds from the foreclosure sale, FORA shall immediately pay to the City an amount equal to fifty percent (50%) of the total purchase price paid for the Property by the foreclosure purchaser, which amount shall include any costs of sale or other amounts paid by the purchaser. The intent of this Section 5 is to ensure that the City's fifty percent (50%) share of sales or lease proceeds will be realized to the extent possible if foreclosure results in the Preston Park property being transferred to a third party, recognizing that FORA will have received a portion of its sales proceeds from the Preston Park Property in the form of the Loan proceeds retained by FORA and that any costs associated with any such foreclosure action are to be deducted from FORA's share of any such sales proceeds. If the proceeds of any such foreclosure received by FORA are less than the amount necessary to pay to the City the share of sales proceeds to which it is entitled by the Implementation Agreement and Government Code Section 67678(b), FORA shall pay to the City: a) the proceeds of such foreclosure sale received by FORA and b) the remaining amounts owed to the City to ensure that the City receives fifty percent (50%) of the proceeds of any sale or foreclosure from any other sources of funds available to FORA. FORA acknowledges that the City's right to receive fifty percent (50%) of any sales proceeds from the sale of the Preston Park

property represents a lien on FORA's funds and assets, FORA hereby pledges to make the City whole in terms of the amounts it is due under the Implementation Agreement and Government Code Section 67678(b) from any sale of the Preston Park property whether voluntary or involuntary. FORA further recognizes the City's rights to such sales proceeds as a FORA debt.

6. Due Diligence Costs. FORA and the City agree that FORA and the City incurred costs for due diligence activities related to the Loan. On the sale or transfer of the Preston Park property to the City or a third party, the parties agree that: a) One Hundred Twenty Five Thousand Dollars (\$125,000) shall be considered Direct Sales Expenses, as that term is defined in the Implementation Agreement, to be deducted from any sales proceeds in order to determine the Sales or Lease Proceeds as defined in the Implementation Agreement, b) \$62,500 shall be distributed to the City and c) \$62,500 shall be distributed to FORA to compensate each for such due diligence costs. Sales and Lease Proceeds shall be split equally between the City and FORA as required by the Implementation Agreement.

7. Operating and Management Costs Relating to Loan. Costs to prepare any reports requested by Rabobank or fund any claims that Rabobank makes under the Loan documents, such as recovery of costs incurred to enforce the Loan, shall be funded solely by FORA from its share of the Preston Park Net Revenues or from other FORA sources of funds. None of these costs shall be funded by the City's share of Preston Park Net Revenue.

8. Time. Time is and shall be of the essence of each term of this MOA.

9. Severability. If any of the provisions of this MOA are determined to be invalid or unenforceable, those provisions shall be deemed severable from the remainder of this MOA and will not cause its invalidity unless this MOA without the severed provisions would frustrate a material purpose of either party in entering into the MOA.

AGREED AND ACCEPTED:

CITY OF MARINA

By: _____
Its: _____

Date: _____, 2010

FORT ORD REUSE AUTHORITY

By: _____
Its: _____

Date: _____, 2010

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Fort Ord Reuse Authority FY 10-11 Preliminary Budget	
Meeting Date:	June 11, 2010	ACTION
Agenda Number:	6a	

RECOMMENDATION:

Approve the FORA fiscal year 2011 (FY 10-11) preliminary budget.

BACKGROUND:

In 2008, FORA staff, in coordination with the Finance Committee (FC), modified the budget format to combine revenue sources and expenditures of all FORA funds on a single chart, thus providing an overall illustration of FORA financial position. Per FC recommendation, the preliminary budget includes a prorated portion of the federal ESCA funding (phased to cover FORA upcoming fiscal year overhead and management expenditures) rather than the entire multi-year funding received by FORA that pre-pays expenditures through the ESCA project completion. This accurately represents FORA finances, as ESCA funding is strictly project specific. The budget chart also includes the current FY mid-year and year-end projected budgets for comparison purposes.

DISCUSSION:

Attachments 1 - 4 illustrate the FC recommended preliminary budget for FY 10-11:

Attachment 1 depicts the overall FY 10-11 preliminary budget.

Attachment 2 summarizes Preston Park loan proceeds and disbursements.

Attachment 3 provides detail on ESCA budget.

Attachment 4 itemizes expenditures.

Two principal areas of impact are discussed below:

- **Redevelopment slowdown:** The national and state economic downturn/recession of the last three fiscal years has significantly slowed Fort Ord redevelopment. Consequently, FORA collection of redevelopment fees, land sales, and property taxes are delayed and/or reduced.
- **Federal and local revenue:** In FY 09-10 FORA secured American Recovery and Reinvestment Act (ARRA) funding through the United States Economic Development Administration (EDA) to continue the construction of the General Jim Moore Boulevard (GJMB) and Eucalyptus Road. FORA also obtained a loan against its 50% share in Preston Park revenues to primarily match the ARRA grant. In addition, FORA received a federal grant through the Office of Economic Adjustment (OEA) to provide funding for infrastructure analysis and design of the Central Coast Veterans Cemetery.

In addition, FORA continues to reduce expenses and improve operational efficiencies while continuing its capital program, adding projects and maintaining services.

The following summarizes the preliminary budget figures for FY 10-11 ([Attachment 1](#)):

REVENUES

LOCAL REVENUES

- **\$261,000 Membership dues**

In addition to State Law stipulated fixed membership dues of \$224,000; FORA collects membership dues from Marina Coast Water District (MCWD) under contract terms.

- **\$195,000 Franchise Fees**

This amount represents MCWD's projected FY 10-11 payments to FORA from water and sewer operations on Fort Ord and associated administrative fees. The transfer of ownership of the system from the US Army to MCWD occurred in 2001.

- **\$983,657 Pollution Legal Liability (PLL) Insurance payments**

In December 2004, FORA secured a \$100 million PLL insurance policy financed by a \$6 million, 7-year loan to pay the premium. Each participating FORA member repays FORA for their respective portion of the insurance premium, financing loan payments and FORA administrative cost over the seven-year term. In December 2009, FORA Board approved a payment plan for the City of Del Rey Oaks who has had difficulty making payments after the departure of their developer who used to make these insurance payments. The preliminary budget anticipates that the City will make good on this outstanding obligation to continue the coverage.

- **\$118,000 Development Fees**

Collections are anticipated from several small active and projected projects. Current forecasts by FORA jurisdictions reflect the economic downturn and housing market conditions. However, the jurisdictional long-term projections anticipate significant development fee revenue beginning in FY 2011-12.

- **\$218,916 Land Sale Proceeds**

Collections anticipated from several small projects. Jurisdictional long-term projections do not anticipate significant land sale revenue until FY 2012-13.

- **\$1,547,562 Lease/Rental Payments**

This amount consists of \$1,480,596 in FORA's share of lease revenue from Preston Park housing project and \$66,966 from rentals of FORA compound and other facilities. FORA's share of Preston Park lease revenue is dedicated to the Preston loan debt service.

- **\$1,033,600 Tax Increment**

Anticipated tax increment (TI) revenue is reduced by 15% to adjust for possible effect of State of California borrowing property tax revenues from redevelopment agencies to help close California's budget deficit.

- **\$500,000 Deficit Period payment from California State University Monterey Bay**

August 2010 payment from CSU to repay \$2,326,795 deficit period mitigation costs according to agreement between FORA and CSU. After this payment, \$826,795 remains.

- **\$287,000 Loan Reimbursements**

Interest reimbursements from East Garrison (EG) developer on a \$4.1 million loan pursuant to the 2006 Memorandum of Agreement among FORA, the Redevelopment Agency of the Monterey County, and EG Partners. Union Community Partners, the new developer who purchased the EG project in fall of 2009 is now making these payments.

- **\$132,000 from Investment Income**

Budgeted income from FORA bank accounts and certificates of deposit. This investment income does not include earnings from funds earmarked to establish the Habitat Management endowment; currently FORA has about \$4 million available for the endowment and all earnings are and will be restricted to fund habitat management costs.

FEDERAL FUNDING

- **\$1,002,182 Environmental Services Cooperative Agreement (ESCA) (Attachment 3)**

In March 2007, FORA was awarded a federal grant in the amount of \$99.3 million to complete munitions removal on Economic Development Conveyance parcels. FORA received \$97.7 million in four installments; the final payment was collected in December 2008. The US Army received \$1.6 million credit for paying ahead of schedule. The December 2008 payment pre-paid all ESCA management related services and expenditures through the 2014 project completion. The preliminary budget includes the FY 10-11 portion of the grant balance (unspent balance).

- **\$4,826,754 in ARRA funding from EDA**

In August 2009, FORA was awarded a \$6.4 million Federal Grant administered through EDA. This award is made with funds available under the American Recovery and Reinvestment Act of 2009 and is funding roadway improvements at General Jim Moore Boulevard (GJMB) and Eucalyptus Road. The construction activities began in December 2009 and the preliminary budget includes a \$4.8 million unspent balance that is carried over from FY 09-10. The federal grant requires a local match of 50% or \$6.4 million. FORA secured the local match funding through a loan from Rabobank against its share of the Preston Park value. (Attachment 2)

- **\$400,000 Federal funding from the Office of Economic Adjustment (OEA)**

In January 2010, FORA received a \$460,000 federal grant through OEA to support Central Coast Veterans Cemetery infrastructure analysis and design planning. The preliminary budget includes the FY 10-11 portion of the grant balance (unspent balance).

EXPENDITURES

- **\$1,733,025 Salaries and Benefits (Attachment 4)**

FORA staffing has been reduced from the approved FY 2008 levels. FORA has sustained its activities and programs by reassigning workload and/or hiring consultants. With the inclusion of two federal programs in FY 09-10, the preliminary budget includes funding to restore merit based salary adjustments and for reclassifications to compensate staff for the additional responsibilities assumed since FY 08-09.

The FC and the Executive Committee (EC) are recommending the following adjustments:

1. Resume salary steps for eligible personnel. Fiscal impact up to \$62,883.
2. Salary range/compensation adjustment for three positions. Fiscal impact \$10,598
Positions: Principal Office Assistant, Administrative Coordinator, ESCA Coordinator.
3. Temporary appointment of Director of Planning and Finance to acting Assistant Executive Officer. Fiscal impact \$0.
A temporary stipend is covered by the AEO budget.

Given the uncertain condition of the regional, state, and national economies, the FC and EC are not recommending a cost of living adjustment, health insurance premium adjustment or any other salary or benefit adjustment beyond items 1 – 3 above.

- **\$318,250 Supplies and Services (Attachment 4)**

This expense category is budgeted at the previous fiscal year reduced level. While product price increases continue, FORA staff has implemented cost saving procedures and/or secured decreased rates for some items such communications, supplies, printing and copy charges. The liability insurance, on the other hand, stays budgeted at a higher amount to reflect the expected increased construction activity along the General Jim Moore Boulevard. The budget provides for a possible copy machine and phone system replacement and routine computer upgrades. In addition to these recurring expenditures, the budget includes \$100,000 carryover from FY 09-10 for moving FORA offices to the IOP building anticipated in late spring of 2011.

- **\$1,897,500 in Contractual Services (Attachment 4)**

The contractual services have also been reduced and include only essential contracts and projects. The preliminary budget includes FORA recurring consulting expenses such as Authority Counsel, Special Legal Counsel, Auditor, and Public Information consultant; included are also ESCA regulatory response contracts, Veterans Cemetery planning contracts carried over from FY 09-10 and budgets for road designs and services during construction. The NEPA/CEQA funded in FY 09-10 by carryover budgets from previous years and Habitat Mitigation consultant receive additional budgets in FY 10-11 to complete the final 2081 permit and HCP publication. The preliminary budget also includes funding for financial consulting associated with the Capital improvement program financing and the sale of Preston Park to the City of Marina.

- **\$9,685,362 in Capital Projects (Attachment 4)**

This represents continuation of road improvements along GJMB/Eucalyptus Road and other capital projects such as habitat management and water augmentation. The FORA Capital Improvement program budget, which provides itemization and timing of capital projects, is currently being revised presentation to the FORA Board for adoption at the July 2010 Board meeting.

• **\$2,415,166 Debt Service (Principal and Interest) (Attachments 2 and 4)**

The FY 10-11 debt service consists of the following liabilities:

- \$1,364,880 for Preston Park loan payments; financed by FORA share of Preston Park revenue.
- \$956,786 for PLL Insurance premium payment (year 6 of 7); financed by jurisdiction/agency reimbursements and the FORA General Fund.
- \$116,000 for fire fighting equipment capital lease payment (year 7 of 10); financed by CFD revenues and/or the FORA General Fund. Staff proposes paying off the remaining \$432,864 lease balance by July 1, 2010 to save FORA about \$32,000.

FISCAL IMPACT/ENDING BALANCE:

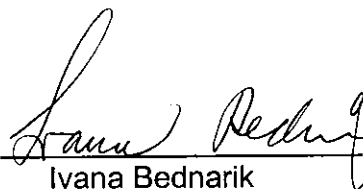
In FY 09-10, FORA obtained a \$19 million loan secured by its share of Preston Park revenue. FORA applied the loan proceeds to: 1) provide the local match to the EDA construction grant, 2) pay off/close two debt instruments (a line of credit and revenue bonds), and 3) set aside the remaining/unused proceeds in the reserve account. These unused proceeds will support General Fund expenditures as they replace debt designated lease proceeds.

The anticipated combined fund ending balance at the end of FY 10-11 is \$2.7 million or \$2.4 million should the Board approve the early termination of the fire truck lease. The General Fund ending balance (reserve) is estimated at \$2 million.

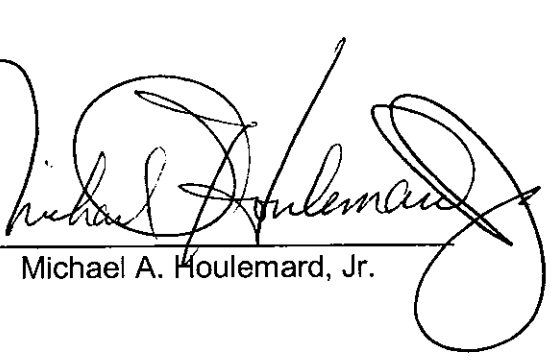
COORDINATION:

Finance Committee, Executive Committee. The Finance Committee met on May 10 and May 17, 2010 to review and discuss the preliminary budget. At the May 17 meeting, the Finance Committee made recommendations regarding the FORA Board's approval of the preliminary budget. The Executive Committee reviewed the budget on June 2, 2010.

Prepared by


Ivana Bednarik

Approved by


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY - FY 10-11 PRELIMINARY BUDGET - ALL FUNDS COMBINED

CATEGORIES	FY 09-10 MID-YEAR	FY 09-10 ACTUAL <small>Projected to 6-30-10</small>	FY 10-11 PRELIMINARY	NOTES
REVENUES				
<u>Carryover Revenue</u>				
Beginning Fund Balance	610,062	610,062	6,710,381	
<u>New Revenue</u>				
Membership Dues	261,000	261,000	261,000	
Franchise Fees - MCWD	195,000	195,000	195,000	
Federal Grants - ESCA	974,397	974,397	1,002,182	
Federal Grants - EDA	6,426,754	1,600,000	4,826,754	Balance prorated for FY 10-11 expenditures <u>(See Attachment - ET/ESCA)</u>
Federal Grants - OEA	460,000	60,000	400,000	Unspent EDA grant balance forwarded to FY 10-11
PLL Loan Payments	983,657	983,657	983,657	Unspent OEA grant balance forwarded to FY 10-11
Development Fees	51,531	51,531	118,000	Per jurisdictional projections
Land Sale Proceeds	1,298,644	1,298,644	218,916	Per jurisdictional projections
Rental/Lease Payments	1,558,000	1,558,000	1,547,562	
Tax Increment	960,000	960,000	1,033,600	Actual collections reduced 15%, FY 09-10 higher than budgeted
CSU Deficit Payment	500,000	500,000	500,000	
Construction Reimbursements	1,376,670	633,953	544,000	FY 10-11 amount reflects remaining FY 09-10 reimbursement
Planning Reimbursements	150,000	150,000	-	
Loan Reimbursements	288,500	288,500	287,000	
Investment Income	525,000	525,000	132,500	Excludes funds earmarked to establish the endowment fund
Other Income	5,000	5,000	-	
Total New Revenue	16,014,153	10,044,682	12,050,171	
<u>Other Financing Sources</u>				
Loan Proceeds	19,000,000	19,000,000	-	Preston Park loan received in FY 09-10 <u>(See Attachment - Preston Park Loan)</u>
TOTAL REVENUES	35,624,215	29,654,744	18,760,552	
EXPENDITURES				
Salaries & Benefits	1,662,062	1,662,062	1,733,025	Maintain reduced staffing, resume step increases/compensation adjustments
Supplies & Services	306,250	391,133	318,250	\$100K FORA office move carried over to FY 10-11
Contractual Services	2,171,500	1,719,000	1,897,500	
Capital Projects (CP)	14,478,000	5,042,412	9,685,362	EDA grant/local match carryover
Debt Service (P+i)	14,390,606	14,129,756	2,415,166	
TOTAL EXPENDITURES	33,008,418	22,944,363	16,049,303	<u>(See Attachment - Itemized Expenditures)</u>
NET REVENUES				
(Ending fund balance)	2,615,797	6,710,381	2,711,248	Ending fund balance/FORA Reserve

FORT ORD REUSE AUTHORITY
FY 10-11 PRELIMINARY BUDGET

**PRESTON PARK
LOAN**

	<u>Amount</u>	<u>Date/FY</u>
Loan Value	19,000,000	Feb-10
Loan Fees/Direct Disbursements		
Loan Fees	184,883	Feb-10
Existing Line of Credit Paid off and closed	9,000,000	Feb-10
Revenue Bonds Paid off and closed	<u>2,461,133</u>	Mar-10
Total Disbursements at Escrow	11,646,016	
Funds Available to match EDA Grant/FORA needs	7,353,984	Mar-10
EDA Local Match Requirement	6,426,754	
Operating Funds (Loan residue)	<u>927,230</u>	
	7,353,984	
FORA Loan Funds spent in FY 09-10 (estimated)		
EDA Local Match	1,600,000	
Operating Funds	-	
FORA Loan Funds spent in FY 09-10 (estimated)	1,600,000	FY 09-10
FORA Loan Funds available for FY 10-11 (estimated)		
EDA Local Match	4,826,754	
Operating Funds	927,230	
FORA Loan Funds available for FY 10-11 (estimated)	5,753,984	FY 10-11

FORT ORD REUSE AUTHORITY
FY 10-11 PRELIMINARY BUDGET

ET/ESCA

CATEGORY	REVENUES		EXPENDITURES		AVAILABLE	
	3/2007 - 6/2009	3/2007 - 6/2010	3/2007 - 6/2010	3/2007 - 6/2010	AVAILABLE BALANCE FOR 10-14	AVAILABLE BALANCE FOR 11-14
Federal Grant Award March 2007	*	99,316,187				
Credit to Army for early payments		(1,587,578)				
Payments to FORA		97,728,609	(91,855,530)		5,873,079	4,870,897
GRANT FUNDS ALLOCATION						
FORA/Program Management		3,392,656	(1,442,147)		1,950,509	1,548,327
FORA/Future PLL coverage		916,056	(916,056)		-	-
EPA/DTSC/ERRG Regulatory Response Cost		4,725,000	(802,430)		3,922,570	3,322,570
LFR/AIG commutation account	**	88,694,897	(88,694,897)		-	-
TOTALS		97,728,609	(91,855,530)		5,873,079	4,870,897

* The \$99.3M Federal Grant was paid in three phases: \$40M in FY 06-07, \$30M in FY 07-08, and \$27.7M in FY 08-09. The Army made payments ahead of schedule securing a \$1.6M credit; FORA collected the last payment on 12/17/2008.

** FORA made the last payment to LFR/AIG commutation account upon receipt of the final grant payment. The commutation account will continue to pay for ESCA remediation through 2014.

The preliminary FY 10-11 includes \$1M of the \$5.8M available balance prorated to cover FY 10-11 expenditures.

**FORT ORD REUSE AUTHORITY
FY 10-11 PRELIMINARY BUDGET**

ITEMIZED EXPENDITURES

EXPENDITURE CATEGORIES	FY 09-10 Mid-Year	FY 09-10 Projected	FY 10-11 Preliminary	NOTES
<u>SALARIES & BENEFITS</u>				
FORA STAFF - 10.5 POSITIONS	1,347,418	1,347,418	1,417,224	
ESCA STAFF - 1 POSITION	67,330	67,330	70,905	
CIP STAFF - 2 POSITIONS	247,314	247,314	244,896	
TOTAL SALARIES AND BENEFITS - 13.5 positions	1,662,062	1,662,062	1,733,025	
<u>SUPPLIES & SERVICES</u>				
Communications	15,000	15,000	12,000	
Supplies	16,000	16,000	15,000	
Equipment & Furniture	23,000	23,000	25,000	Obsolete equipment replacement
Travel, Auto & Lodging	16,000	16,000	16,000	
Meeting Expenses	6,000	6,000	8,000	
Building maintenance & security	10,000	10,000	10,000	
Utilities	13,000	13,000	13,000	
Insurance	65,400	65,400	65,900	
Computer support	14,350	14,350	14,350	
Moving Expenses	100,000		100,000	Carried over to FY 10-11
Other (postage, advertising, printing, etc.)	27,500	212,383	39,000	\$185K Preston Park loan/escrow fees paid 3/2010
TOTAL SUPPLIES AND SERVICES	306,250	391,133	318,250	
<u>CONTRACTUAL SERVICES</u>				
LEGAL FEES (INCLUDES AUTHORITY COUNSEL)	130,000	130,000	135,000	
AUDITOR	25,000	25,000	30,000	
DECK COUNSEL (DECK-ESCA)	100,000	100,000	80,000	MCPC, Cemetery transfers, includes ESCA
REGULATORY RESPONSE/QUALITY ASSURANCE-ESCA	570,000	570,000	600,000	Reimbursements per ESCA contract
VETERANS CEMETERY CONSULTANT	460,000	60,000	400,000	Carryover of unspent OVA grant
FINANCIAL CONSULTANT	25,000	500	122,500	CIP financial study; Preston Park Buy-out consultant
LEGISLATIVE SERVICES CONSULTANT	30,000	30,000	30,000	
PUBLIC INFORMATION	35,000	10,000	13,000	Reduced needs
BOND TRUSTEE/COUNSEL	3,000	-	-	Bonds paid off in FY 09-10
ARCHITECT & ENGINEERS (CIP)	675,000	675,000	200,000	CIP road designs and construction management
NEPA/CEQA CONSULTING FIRM	-	-	100,000	Services financed by carryover balance in FY 09-10; additional EIR/EIS tasks in 10-11
HABITAT MITIGATION	100,000	100,000	150,000	Complete final 2081 permit and HCP publication
PARKER FLATS ENDANGERED SPECIES	18,500	18,500	12,000	5-year Parker Flats post burn agency requirement
OTHER CONSULTING	-	-	25,000	
TOTAL CONTRACTUAL SERVICES	2,171,500	1,719,000	1,897,500	
<u>CAPITAL PROJECTS</u>				
ROADWAY IMPROVEMENTS, WATER AUGMENTATION	13,178,000	3,742,412	9,580,862	Carryover of unspent GJMB/Eucalyptus ARRA funds
HABITAT MANAGEMENT	1,300,000	1,300,000	104,500	Habitat Management fund; UC Natural Reserve annual cost
TOTAL CAPITAL PROJECTS	14,478,000	5,042,412	9,685,362	
<u>DEBT SERVICE (Principal and Interest)</u>				
PRESTON PARK LOAN (PPL) DEBT SERVICE	750,000	441,668	1,364,880	Debt financing paid by FORA portion of Preston revenue
LINE OF CREDIT (LOC)	9,714,570	9,762,052	-	LOC paid-off by PPL in FY 09-10 (9M)
REVENUE BONDS (RB)	2,853,250	2,853,250	-	RB paid-off by PPL in FY 09-10 (2.461M)
PLL INSURANCE FINANCING	956,786	956,786	934,286	Year 6 of 7-year financing
FIRE TRUCK LEASE	116,000	116,000	116,000	Year 7 of 10, \$432K payoff if Board approves (32K savings)
TOTAL DEBT SERVICE	14,390,606	14,129,756	2,415,166	
TOTAL EXPENDITURES	33,008,418	22,944,363	16,049,303	

Presentation to the
Fort Ord Reuse Authority
Board of Directors

June 11, 2010

PRELIMINARY
OPERATING BUDGET
FY 2010-2011

FY 2010-2011 Operating Budget Summary

◆ REVENUES	\$ 12,050,171
Beginning Fund Balance (7/1/10)	<u>6,710,381</u>
Total Revenues	18,760,552
◆ EXPENDITURES	<u>16,049,303</u>
◆ ENDING BALANCE (6/30/11)	\$ 2,711,248

Major Revenue Sources

FY 2010-2011

◆ Federal Grants	\$ 6,228,936
◆ Lease/Rental Payments	1,547,562
◆ Tax Increment	1,033,600
◆ CFD Fees/Land Sale Proceeds	336,916
◆ Other Revenues*	<u>2,903,157</u>
TOTAL	\$ 12,050,171

* Other Revenues: Membership Dues, Franchise Fees, Insurance Reimbursements, CSU Deficit Period Payment, Investment Income.

Major Expenditures/Programs

FY 2010-11

◆ CIP Projects*	\$ 9,685,362
◆ Debt Service	2,415,166
◆ ESCA Remediation	1,002,182
◆ Administration/Planning/HCP	<u>2,946,594</u>
TOTAL EXPENDITURES	\$ 16,049,303

*CIP Projects: General Jim Moore Blvd and Eucalyptus Road construction, other road improvements, Habitat Management. CIP to be reviewed/approved in July/August.

FY 2010-2011 Salaries and Benefits

- ◆ **Salaries and benefits budgeted at FY 08-09 reduced staffing level**
- ◆ **Preliminary budget includes funding to restore merit increases/adjustments**
- ◆ **No benefit increases**
- ◆ **0% Cost of Living Adjustment**

FY 2010-11
Supplies/Consultants

Supplies

- ◆ Budgeted to maintain FY 09-10 level
- ◆ \$100K for FORA office move

Consultants

- ◆ Maintain necessary services

Requested Board Action

- ◆ **Approve the preliminary
FY 10-11 operating budget**

Recommended by
Finance Committee/Executive Committee

Q & A

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Capital Improvement Program for FY 2010/11: status report	
Meeting Date:	June 11, 2010	INFORMATION
Agenda Number:	6b	

RECOMMENDATION:

Receive a status report on the FY 2010/11 Capital Improvement Program ("CIP").

BACKGROUND/DISCUSSION:

Fort Ord Reuse Authority ("FORA") staff presented a workshop at the May 2010 FORA Board of Directors ("Board") meeting to explain the background of the CIP and to update the Board on the ongoing reprogramming effort at the FORA Administrative and CIP committee level (the "joint committee"). Since that time, staff has continued working with the joint committee toward a draft FY 2010/11 CIP which could be presented to the Board for adoption.

The joint committee requested an additional meeting for review of the draft document and recommended that the CIP be presented to the Board at their July meeting. Staff anticipates presenting the draft FY 2010/11 CIP to the Board next month with the request that the CIP be adopted to set transportation project time placement and funding priorities for the upcoming fiscal year.

FISCAL IMPACT:

Reviewed by FORA Controller M. F. for I. B.

Staff time for this item is included in the approved FY 09-10 budget.

COORDINATION:

FORA Administrative and Capital Improvement Program Committees

Prepared by


Crissy Maras

Approved by


Michael A. Houtemard, Jr.

Items the FORA Board approved restoring to the GJMB/Eucalyptus Road Improvement Project if additional funding became available:

4/22/2010

Economic Development Administration (EDA) Grant Award #07-79-73004

Summary of American Recovery and Reinvestment Act (ARRA) grant or Fort Ord Reuse Authority (FORA) matching funds potentially available to Capital Improvement Program (CIP) projects due to General Jim Moore Boulevard (GJMB) Phase V/Eucalyptus Road (EUC) Phase II bidding results.

Funds available for project adjustments			\$	6,187,811
ITEM	Anticipated Cost	Deductive total		
1. Relocation of PG&E power pole (GJMB/EUC)	\$ 100,000	\$ 6,187,811		
2. Road connections at Hilby and San Pablo	\$ 213,000	\$ (484,226)		
3. Installation of sidewalks on north and south sides of current EUC construction	\$ 171,226			
SUBTOTAL	\$ 484,226	\$ 5,703,585		
4. Installation of a bank of 6 4" PVC conduits	\$ 275,000	\$ 5,703,585		
5. Signalization of Coe Avenue and Broadway Avenue intersections with GJMB	\$ 800,000	\$ (1,075,000)		
SUBTOTAL	\$ 1,075,000	\$ 4,628,585		
CIP/ARRA Task Force Recommendations to the FORA Board				
1. Extend EUC to Parker Flats Road	\$ 1,100,000	\$ 4,628,585		
2. 600 LF of 6' wall enhancement south of Coe Avenue*	\$ 66,000	\$ (2,466,000)		
3. Installation of street lights on GJMB	\$ 1,000,000			
4. Installation of street lights on EUC	\$ 300,000			
SUBTOTAL	\$ 2,466,000	\$ 2,162,585		
5. South Boundary Road**				
6. 8th Street Project**	\$2,162,585***	\$ (2,162,585)		
7. GJMB Phase VI**				
TOTAL	\$2,162,585***	\$ (2,162,585)		

Board approved
02/11/10

Board approved
03/12/10

Board established the
and approved the
projects in priority
order. #1 8th
Street Project; #2
South Boundary
Road and #3
GJMB Phase VI
03/12/10

* The amount of the wall enhancement could be as much as \$215K depending on additional design, engineering and installation costs. \$66K is shown as a placeholder because it represents a tangible amount for a pre-fabricated wall.

** The projects shown here will be used as deductive alternatives as a part of a grant modification package to the EDA in order to fully expend any remaining grant funds.

*** The amount shown here may change to accommodate additional costs of the wall enhancement noted above and/or to match actual remaining funds after construction costs and contracts have been finalized.

Items the EDA approved restoring to the GJMB/Eucalyptus Road Improvement Project if additional funding became available:

Previously Approved for Submittal as Contract Change Orders		
Item #	Description	Amount
1	Site clearing (CCO 001; SCH A1 and A2)	\$23,355.59
2	Site clearing Del Rey Oaks (CCO 002; SCH A1)	\$13,215.31
3	Right of way fence and fire road gates (CCO 003; SCH A1)	\$52,267.50
4	Traffic by-pass paving (CCO 004; SCH A1)	\$52,345.00
5	Connector roads at Hilby and San Pablo	\$216,000 (est)
6	Power pole removal/relocation northeast corner of General Jim Moore Blvd. and Eucalyptus Road	\$100,000 (est)
Requested for Consideration as Contract Change Orders		
1	5' wide concrete sidewalks on both sides of SCH A2 Eucalyptus Road	\$172,000.00
2	600 linear feet of 6" high pre-cast concrete sound wall on General Jim Moore Blvd. from Coe/Eucalyptus Road south	\$70,000 (est)
3	Change 5' concrete sidewalk on west side General Jim Moore Blvd. to 8' concrete sidewalk. Delete 10' asphalt concrete Class 1 bike path on east side of General Jim Moore Blvd. Add 9.5' wide concrete sidewalk at back of curb east side of General Jim Moore Blvd.	\$305,000
4	Construct conduit duct bank on west side of General Jim Moore Blvd. (under sidewalk) consisting of six 4" PVC ducts in support of "smart community"	\$275,000.00
5	Install underground components of street lighting system on both sides of General Jim Moore Blvd. behind curbs, under sidewalks, consisting of foundations, conduits and pull boxes	\$500,000
6	Paving of two additional traffic by-pass detours	\$120,000 (est)
Requested for Consideration as Follow-on Construction Contract		
1	Extend construction of Eucalyptus Road 3,400 ft. ± to the northeast	\$1.2M (est)
2	Traffic signal at Coe/Eucalyptus Road intersection with General Jim Moore Blvd., and traffic signal at Broadway intersection with General Jim Moore Blvd.	\$0.8M (est)
3	Street lights on General Jim Moore Blvd. (above ground portion, wiring and electrical energy metering)	\$0.8M (est)
4	Street lights on Eucalyptus Road complete installation including above and below ground components	\$0.3M (est)
5	Additional projects to be presented to EDA as follow-up to FORA Board action	\$ _____

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	Promissory Note between FORA/Salinas Valley Memorial Healthcare System/City of Marina	
Meeting Date:	June 11, 2010	ACTION
Agenda Number:	7a	

RECOMMENDATION(S):

1. Approve a phased payment plan for Salinas Valley Memorial Healthcare System's ("SVMHS") land payment to the Fort Ord Reuse Authority ("FORA") and City of Marina ("Marina"), splitting the land payment into two fifty percent payments with \$1.2 million due by July 2010 and \$1.2 million due in December 2010. This issue is time critical.
2. Authorize the Executive Officer to negotiate and execute a promissory note with Marina and SVMHS (the Executive Officer to negotiate market rate interest on the note) to memorialize the December 2010 \$1.2 million land payment commitment to FORA and Marina. See draft promissory note ("**Attachment A**").
3. Authorize the Executive Officer to negotiate and execute a promissory note to accept Marina's request to borrow \$600,000 (FORA's share of the first payment described in #1 until December 31, 2010).

BACKGROUND/DISCUSSION:

Marina and SVMHS previously entered into an agreement allowing SVMHS to purchase a five-acre site in Marina and develop medical offices on the site. The agreed upon land sale price was \$2.4 million, which would be split equally between Marina and FORA. This agreement was dependent upon completion of the Marina-Monterey Peninsula College property exchange, which was delayed two years.

As a result of this delay, Marina and SVMHS renegotiated their original agreement in terms of SVMHS's land payment schedule. Under the new schedule, SVMHS would pay fifty percent of their land payment upon receipt of the land and the other fifty percent six months later. The Board's approval of recommendations 1 and 2 would approve this new payment schedule.

Additionally, Marina requested that FORA loan its fifty percent land sale payment to Marina until December 2010 to assist Marina in meeting budgetary obligations.

FISCAL IMPACT:

Reviewed by FORA Controller *M. F. for I. B.*

Both promissory notes would include interest provision to compensate FORA for revenue deferral.

COORDINATION:

City of Marina Staff, SVMHS, Administrative Committee, Executive Committee.

Prepared by *Jonathan Garcia* Jonathan Garcia
Reviewed by *D. Steven Endsley* Steve Endsley
Approved by *Michael A. Houlemard, Jr.* Michael A. Houlemard, Jr.

DRAFT

PROMISSORY NOTE

Salinas Valley Memorial Healthcare System to Fort Ord Reuse Authority

\$1,200,000

June __, 2010
Marina, California

FOR VALUE RECEIVED, the undersigned, Salina Valley Memorial Healthcare System, a public district hospital (referred to herein as a "Borrower"), hereby promises to pay to the order of the Fort Ord Reuse Authority, a California public body, corporate and politic (the "Holder"), the principal sum of One Million Two Hundred Thousand Dollars (\$1,200,000), with interest at the rate of _____ per annum. Principal and interest under this promissory note (the "Note") shall be payable at the office of the Holder as provided in this Note. The Loan is made pursuant to that certain Disposition and Development Agreement between the Borrower and the Marina Redevelopment Agency which provides for the Borrower to acquire certain property on the former Fort Ord Army base from the Marina Redevelopment Agency more particularly described in Exhibit A attached hereto (the "Property"). Pursuant to the provisions of Government Code Section 67678(b) proceeds from land sales in the Former Fort Ord are divided equally between the Marina Redevelopment Agency and the Holder. The Holder has agreed to defer receipt of its portion of the land sales proceeds owed for the Property in exchange for Borrower executing this Note evidencing Borrower's obligation to pay the amounts due hereunder.

1. Borrower's Obligation. This Note evidences Borrower's obligation to pay Holder the principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000) as deferred land sales payment related to the purchase of the Property.

2. Interest. The outstanding principal balance of this Note shall bear simple interest at the rate of _____ percent (____%) per annum from the date of the conveyance of the Property from the Marina Redevelopment Agency to Borrower as evidenced by the recordation of the Grant Deed ("Closing Date") until full repayment of the principal balance.

3. Term and Repayment Requirements. The term of this Note shall commence on the Closing Date and shall expire on January 2, 2011 (the "Term"). Borrower shall pay amounts due hereunder in full no later than January 2, 2011. In the event Borrower fails to make any payment due hereunder within thirty (30) days of the due date, in addition to any other remedies that Holder may have pursuant to this note, Borrower shall pay to Holder, in addition to any other amounts due, a late payment equal to five percent (5%) of the payment amount. On or before the expiration of the Term of this Note, the Borrower shall pay the full amount of interest and principal due hereunder.

4. Prepayments. Borrower may prepay any amounts owed hereunder at any time.

5. No Assumption. This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of Holder.

6. Security. This Note is to be secured by a deed of trust on the Property given by Borrower for the benefit of Holder providing Holder with a secured interest in the Property, which deed of trust shall only be subordinate to those items listed as Items No. _____ on that Preliminary Title Report issued by Stewart Title dated _____.

7. Terms of Payment.

(a) All payments due under this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts, or such other consideration as the Parties deem satisfactory.

(b) All payments on this Note shall be paid to Holder at _____, or to such other place as Holder of this Note may from time to time designate.

(c) All payments on this Note shall be without expense to Holder, and Borrower agrees to pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of Holder, incurred in connection with the payment of this Note and the release of any security hereof.

(d) Notwithstanding any other provision of this Note, or any instrument securing the obligations of Borrower under this Note, if, for any reason whatsoever, the payment of any sums by Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that Holder may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

8. Default.

a. Any of the following shall constitute an event of default under this Note:

i. Any failure to pay, in full, any payment required under this Note when due;

ii. Any failure in the performance by Borrower of any term, condition, provision or covenant set forth in this Note;

iii. The occurrence of any event of default under the Deed of Trust or other instrument securing the obligations of Borrower under this Note or under any other

promissory notes hereafter issued by Borrower to Holder subject to notice and cure periods, if any, set forth therein.

b. Upon the occurrence of one or more of the foregoing events of default, the Holder shall provide Borrower with written notice of such default. Such notice shall provide Borrower with thirty (30) days to cure such default except if the default is the result of a failure to pay amounts due under this Note, in which case the notice shall provide Borrower with fifteen (15) days to cure such default. If Borrower fails to cure any default within the applicable cure period, Holder shall be entitled to exercise any and all remedies provided pursuant to this Note and the Deed of Trust.

c. Upon the occurrence of one or more of the foregoing events of default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note shall at the option of Holder become immediately due and payable upon written notice by Holder to Borrower without further demand.

d. Holder's failure to exercise the remedy set forth in Subsection 8(c) above or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by Holder hereof of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Holder, except as and to the extent otherwise provided by law.

9. Waivers.

a. Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.

b. Any extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note shall not operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

c. The obligations of Borrower under this Note shall be absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

10. Miscellaneous Provisions.

a. Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

b. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

c. This Note shall be governed by and construed in accordance with the laws of the State of California.

d. The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

e. This document contains the entire agreement between the parties as to the Loan. It may not be modified except upon written consent of the parties.

11. Recourse. Borrower shall be personally liable for any amounts due under the Loan Documents.

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IN WITNESS WHEREOF, Borrower has caused this Note to be executed by their duly authorized representatives.

BORROWER:

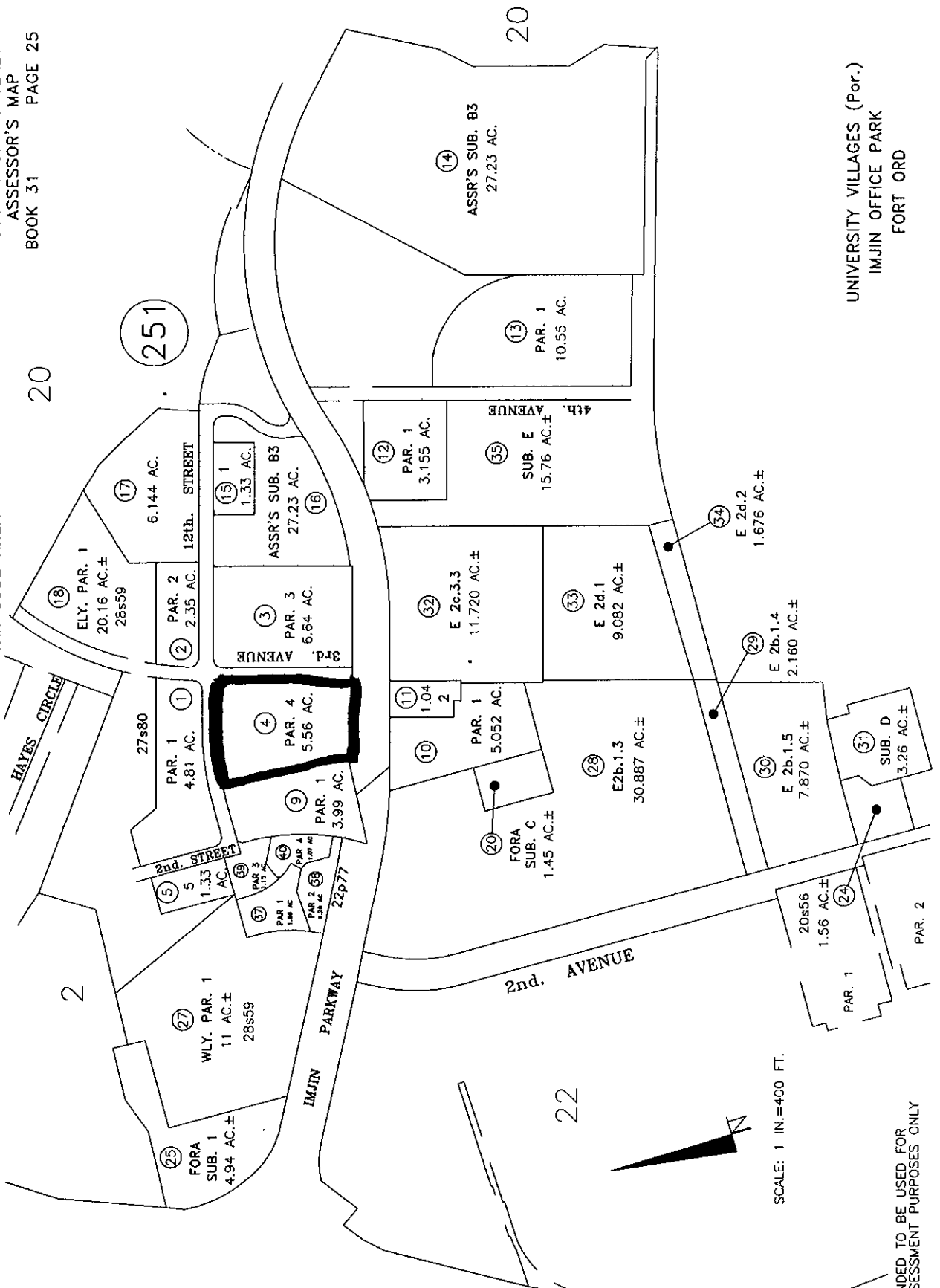
SALINAS VALLEY MEMORIAL
HEALTHCARE SYSTEMS,

By: _____

Name: _____

Its: _____

TAX CODE AREA



UNIVERSITY VILLAGES (Par.)
 IMJIN OFFICE PARK
 FORT ORD

THIS MAP IS INTENDED TO BE USED FOR
 PROPERTY TAX ASSESSMENT PURPOSES ONLY

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	Preston Park Budget for FY 2010/11	
Meeting Date:	June 11, 2010	ACTION
Agenda Number:	7b	

RECOMMENDATION(S):

Approve Fiscal Year ("FY") 2010/11 Preston Park Housing Area Budget ("**Exhibits A and B**").

BACKGROUND/DISCUSSION:

The Fort Ord Reuse Authority ("FORA") staff has reviewed and coordinated the budget with the City of Marina, and recommends FORA Board approval. The Marina City Council is scheduled to consider the budget on June 3, 2010. According to the existing Preston Park management contract, if FORA does not act on the budget by July 1, the budget is deemed approved.

The overall budget incorporates two new formulas approved by the Marina City Council on June 2, 2010 for establishing annual market rent increases. The adopted formulas are: 1) For move-ins, establishing market rents on an on-going basis according to a market survey, and 2) for in-place tenants, to increase the rent once a year by the lesser of 3% or the Consumer Price Index for San Francisco-Oakland-San Jose, All Items, for All Urban Consumers (referred to as CPI-U) for the annual percentage of the previous calendar year to be applied to the next fiscal year, which is derived from the February to February percentage prior to the upcoming fiscal year.

FISCAL IMPACT:

Reviewed by FORA Controller M.F. for I.B.

The net rental income is anticipated to be slightly higher compared to FY 2009/10 providing FORA adequate revenue to fully cover the Preston Park loan debt service.

COORDINATION:

City of Marina Staff, Alliance Staff, Administrative Committee, Executive Committee.

Prepared by Jonathan Garcia Reviewed by D. Steven Endsley
Jonathan Garcia Steve Endsley

Approved by Michael A. Houlemard, Jr.
Michael A. Houlemard, Jr.

EXHIBIT A



May 04, 2010

Mr. Anthony J. Altfeld
City Manager
City of Marina
211 Hillcrest Avenue
Marina, California 93933

Re: Preston Park 2010-2011 Proposed Budget

Dear Mr. Altfeld:

Pursuant to the terms outlined in the Management Agreement between the Fort Ord Reuse Authority and Alliance Communities Inc; and in accordance to the management agreement, please find enclosed the proposed Fiscal Year (FY) 2010 - 2011 budget for Preston Park. We submitted a draft budget on February 2, 2010. We met with and solicited input from City staff and residents. Residents were notified in writing on February 22, 2010 that the draft budget was available at the management office and that two meetings were scheduled: Wednesday, March 3, 2010 and Saturday, March 20. When the City Council scheduled a special budget workshop on March 20th, all residents were notified in writing on March 17th that the March 20th meeting was rescheduled to Monday, March 22nd. Copies of the budget and February 2, 2010 cover letter were available at the two meetings, which were each attended by less than ten (10) residents from Abrams Park and Preston Park.

The draft budget was revised, based on information provided by the tenants and further inspection of common areas, in the following areas:

- **Playground Areas Maintenance:** Additional maintenance staffing for more frequent cleaning of the playgrounds to ensure broken glass is removed up quickly
- **Common Area Play Equipment:** Tetherballs and volleyball nets will be installed in spring-summer and volleyballs will be available for checkout from the office.

The revised budget also contains our recommendations for funding of additional services and project that may or may not be implemented in FY 2010-2011:

- **Courtesy Patrol:** Tenants had raised issues about loitering and parking challenges. To supplement Marina Police Department patrols and help control common area vandalism and loitering, we suggest a private contractor courtesy patrol for nighttime hours. This expense is estimated to be \$4000 a month, split between Preston and Abrams, which provides for 8 to 10 hours of service a week. Based on current economic conditions, this expense was not included in the budget and we recommend that the Police Department increase patrols of the community instead.
- **One-time Dumpster leasing:** Typically dumpsters are hired for the weekend of the Annual Community Garage Sale in September. Some tenants suggested an additional weekend of dumpsters, perhaps after the holidays or to facilitate spring cleaning.

Revenues

The primary source of revenue is rents, Section 8 voucher payments and associated charges to residents. As a professional property management company, we recommend the property owners charge standard market rents, not just to maximize revenues, but to ensure that there are sufficient funds for maintaining the property, investing in improvements, and providing services for resident satisfaction that also promote community building among residents and staff.

The City Council will be considering a rent formula to apply to setting the market rents and rent increases at Preston Park prior to consideration and adoption of this proposed budget. The assumptions included in this draft budget about the move-in market rents and Fiscal Year 2010/11 in-place market rent increases could be revised in accordance with the market rent formulas approved by the City Council.

Current Market Rent Conditions

The average two bedroom apartment in Marina rents for between \$1,275 and \$1,300 per month, which does not include utilities. Additionally, the comparables as outlined in the attached market survey March 31, 2010 are significantly smaller in square footage than units at Preston Park.

Preston Park offers unique three bedroom town home floor plans, each with front and back yards, ample storage and garages; unlike comparative apartments in the surrounding area.

Preston Park residents are responsible for paying their own utilities; such as gas, water, electricity, sewer and trash. The market rate rent is adjusted to compensate for the cost of water use, utility costs and garbage not paid by residents at other communities in the area. Therefore, the budget assumes adjustments in rental rates in order to compensate such costs. Utility costs for 2010 - 2011 as published by the Monterey County Housing Authority (MCHA) are as follows, with average actual charges from the Marina Coast Water District and the Waste Management District:

	<u>Two Bedroom</u>	<u>Four Bedroom</u>
Water	\$28	\$36
Sewer	\$11	\$11
Garbage	\$13	\$16
Heating	\$11	\$15
Wtr Htg Gas	\$11	\$15
Cooking-Gas	\$7	\$10
Electric-other	\$13	\$18
Total	\$94	\$121

Market Rents - In Place Residents

A rent increase of 1.8%, the 2009 [annual average, February 2009 to February 2010] Consumer Price Index increase for All Items, All Urban Consumers [San Francisco-Oakland-San Jose] is proposed as follows:

Unit Size	Current Rent	Proposed FY10/11 Rent	Change 8/1/10	Rent Market Study Low-High Range
Two Bedroom	\$1,198	\$1,219	\$1,219	\$1275-1300
Three Bedroom	\$1,555	\$1,583	\$1,583	\$2300-2600

As shown on the Market Survey of March 31, 2010 submitted to the City previously, the proposed in-place market rents are within range, somewhat below, market rents of comparable units in the Marina/Seaside rental market.

Market Rent - New Residents

The proposed rent formula assumes that market rents for move-in residents will be recalculated throughout the year, based on rents charged at comparable properties in the Marina/Seaside rental market. For example,

Unit Size	2009/10 Rent	Example: Proposed Move-In Rent, based on market survey of 3/31 /10	Percent Change	Difference from 2009/10
Two Bedroom 1,278 square feet	\$1,198	\$1246	5.5%	\$66
Two Bedroom 1,323 square feet	\$1,198	\$1270	6.0%	\$47
Three Bedroom	\$1,555	\$1,617	4.0%	\$62

The proposed rental rates are also based on square footage, property dynamics and location.

Affordable Rental Rates

Affordable rental rates are derived from median income schedules published by governmental agencies. Rental rates at Preston Park are based upon 50% and 60% of the median income for Monterey County. The U.S. Department of Housing and Urban Development calculates the maximum, household income by family size in Monterey County, generally once a year. The rental rates are based upon families at 50% and 60% of the Monterey County median income for 2009 and allowances for the cost of utilities (as published by MCHA) are as noted on page 2 of this letter:

New rates for 2010 have not been published by HUD; therefore the enclosed budget assumes no increase for 2010, in some years there is no increase. If the new income limits are announced before April 01, revised rents could be incorporated into the budget presentation to Council on April 20, 2010.

<u>2009/10 Rent</u>	<u>Two Bedroom</u>	<u>Three Bedroom</u>
50% (very low)	\$656	\$731
60% (low)	\$807	\$900

2009 Maximum Household Income Limits

Income Category	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person
50%	\$23,550	\$26,900	\$30,300	\$33,650	\$36,350	\$39,050	\$41,750
60%	\$28,260	\$32,280	\$36,360	\$40,380	\$43,620	\$46,860	\$50,100

Rental Increase Implementation & Lease Signing

Assuming City council approval of the budget prior to June 30, rental increase notices will be mailed out on or before June 30, 2010 so that the new rental rates become effective on August 1, 2010. Rents for in-place residents at market or affordable levels are increased once per year. New residents will be required to sign lease terms between 6 and 12 months, in place residents will also be welcome to sign lease terms beyond their current month-to-month agreement.

Vacancy

Based on annual trends, the budget assumes a vacancy rate of 2.38%. Over the past twelve months, the property has experienced a higher vacancy rate than normal, the driving factor behind vacancies are applicants not meeting the rental requirements of the community. Many applicants applying have had a negative credit rating due to home foreclosures, inadequate credit, or evictions. The proposed vacancy rate factor allows enough time to prepare units immediately after a resident vacates the community, as well as sufficient time to place qualified applicants. Based on the local and surrounding counties, the vacancy rate is well within the acceptable range. When a unit is vacated, Alliance strives to fill the vacant unit within 7 to 10 business days, working from the waiting list if applicable.

Expenses

In line with national conditions and current industry standards, there were no salary increases for administrative office staff. We recommend increasing hourly wages for several maintenance staff by less than a dollar/hour in order to bring them more in line with average wages for those positions.

Account	2011	2010	Variance	%	Comments
PAYROLL	\$504,582	\$449,905	(\$54,677)	-12.2%	An addition of one maintenance technician and two porters is included. In 2009 the staff was consolidated and reductions between Preston and Abrams was experimental. After close analysis, the additional maintenance staff is needed in order to best maintain the site, especially the 11 common area play areas. In addition, in order to retain and attract qualified administrative personnel, leasing and renewal incentives were included in the 2010 budget. The surrounding market offers similar programs, and management feels that the property is at a recruiting disadvantage without being able to offer an incentive program. In addition, these incentives assist in motivating associates to achieve the highest and best results possible at a property.
LANDSCAPING	\$104,700	\$104,419	(\$281)	-0.3%	Increase in irrigation repairs to maintain system
UTILITIES	\$100,944	\$99,358	(\$1,586)	-1.6%	Increase based on annual increase amounts obtained by utility companies
REDECORATING	\$51,416	\$39,371	(\$12,045)	-30.6%	Increase over the 2010 budget due to the assumption of upgrading 25% of resident carpet, linoleum, and appliances for long term residents (more than 5 years) as outlined in the 2010/11 budget detail
MAINTENANCE	\$68,803	\$62,283	(\$6,520)	-10.5%	Increase in plumbing, HVAC, hardware supplies and extermination to maintain asset
MARKETING	\$6,939	\$6,929	(\$10)	-0.1%	
ADMINISTRATIVE	\$45,839	\$44,429	(\$1,410)	-3.2%	Decrease in evictions and computer repair
PROFESSIONAL SERVICES	\$139,352	\$135,269	(\$4,083)	-3.0%	Increase in Alliance management fees (2.5% of total revenue) based on total income growth
INSURANCE	\$167,022	\$167,043	\$21	0.0%	
AD-VALOREM TAXES	\$103,104	\$103,010	(\$94)	-0.1%	Increase based on 2010 budget analysis
NON ROUTINE MAINTENANCE	\$49,560	\$444	(\$49,116)	11060.7%	Gutter cleaning, sidewalk grinding, tree trimming, and basketball court restoration

Capital Reserves Fund

In accordance with the updating of the Replacement Reserves Study conducted in April 2008, the budget includes \$2,050 per unit per year for long-term replacement reserves needs.

Capital Improvement Program

Forrest White, Director of Asset Engineering and Robert Gochee, Asset Engineering Project Manager at Alliance Residential is manager of capital improvement projects at Preston Park which may include:

- 1) Parking Improvements
- 2) ADA path of travel from the leasing office to the clubhouse
- 3) Office and clubhouse interior refurbishing
- 4) Tree Removal
- 5) Lighting improvements are subject to revisions with additional lighting costs under review by CPTED
- 6) Future Park Improvements behind Brown Court – process will start late summer 2010 to work with residents and City Recreation and Cultural Services Commission on what improvements they would like to see so that costs could be proposed in 2011/2012 capital improvements budget

Accomplishments

It has been a pleasure working with residents and the City of Marina over the past year. With the support of residents a number of positive changes have occurred within both Abrams Park and Preston Park. Some of Alliance's accomplishments include:

- 1) Community Partnership: Alliance Residential Company became a platinum level sponsor donating \$3,000 towards the Marina Teen Programs, including the Skate Team and Friday Night Leadership Program. Children of residents participate in these programs. Future donations are under consideration to financially assist youth programs that benefit the residents; families. We are especially proud to assist the Skate Team which we understand is only skateboard team in the United States sponsored by a municipal government. Please note that the donations are made from the Alliance corporate headquarters budget and not from the revenues of Preston Park.
- 2) Resident Survey: Each year, Alliance Residential conducts a Resident Survey that asks for feedback from residents and their experience working with the office and maintenance staff. The 24 surveys received provided positive comments and compliments. Residents are requesting more functions within the community such as block parties, summer and holiday events.

- 3) Resident Complaints: In general, most residents are very happy with Alliance. Day to day concerns are appropriately and promptly handled. We have systems in place for tracking work order requests and monitoring completion of work orders, developed by our headquarters administration for consistent and prompt service. We frequently publicize to tenants the five different means to report service requests (in person, telephone, note, email, and fax). A new policy has been proposed to charge a fee for trash cans that have not been returned to the respective residents' garage by Tuesday mornings plus, staff moving the cans from the curb to the garage door. We are working very closely with the Marina Police Department and increased number of patrols in regards to enforcement of vehicles with expired tags, parking on the lawns and other violations.
- 4) Common Area Maintenance: Thanks to feedback at recent tenant meetings, we were able to repair broken light fixtures on pedestrian paths in common areas, will seek to refurbish basketball courts, and will increase maintenance efforts in the playground areas that will enhance residents' enjoyment.
- 5) Communication Tools: A monthly newsletter is personally delivered to every home once a month. Residents are encouraged to contribute to the newsletter. The newsletter provides information on community related events, good housekeeping rules for the community and safety tips. We have implemented a new Online Rent Payment program as well as a new website to link residents to a community forum. Work order requests can be made through this system as well.
- 6) Roofing Repairs: In November 2009 Specialized Roofing came out and repaired roofs that had been damaged in a major storm. Some units on every street received some level of roofing repair that was covered by the property insurance.
- 7) Critter Control: Despite our continued efforts to control the gopher population, these animals have made our community their home, facilitated by the proximity and extensive natural areas. We maintain a monthly service but also respond to resident requests as they come in.
- 8) Trash Can Notices: Trash pick-up day is Friday. For years, we allowed residents until Monday morning to return their receptacles to their respective garages. Every week, staff issue approximately ten or so letters of violations to almost the same people, with no change in behavior by these residents in response to the letters, a policy change is proposed. A notice will be issued to residents who have not removed their trash cans from the street at this point. On Tuesday morning if the cans are still present, the resident will be assessed a \$30 fine that will cover the costs of the staff time to pull the cans up to the garage door.

- 9) Marina Police Department Coordination: Management staff and the Marina Police Department continuously meet frequently and have worked closely in efforts to clean up the property, including vehicle abatement, parking on the grass, double parking, vehicles with expired tags, and abandoned vehicles. Citations were issued in the months of July through December 2009 the Police Department met with staff in September for a training session on how to report incidents effectively and crimes on progress to the 911 dispatcher. Safety tips have been provided in the August, September, October and December 2009 newsletters and will continue to post them throughout 2010. Residents look forward to joining in the City's National Night Out Program in downtown Marina in August.
- 9) Long Term Residents: We continuously strive to upgrade the units of our long term residents by painting, upgrading appliances, and replacing flooring.
- 10) Staffing: In fiscal year 2009-2010 budget, office staff was split 60/40% between Abrams Park and Preston Park which reduced administrative costs as less office space was required. Our staff has more control over work requests, documents, and filing and staff schedules. The Fiscal Year 2010-2011, budget will reflect the split of the maintenance staff as well as allocations of costs between the two properties. We will add one more maintenance associate and two more porters to contribute additional skills to address technical issues such as electrical/heating, system repairs and maintenance and to more comprehensively maintain the playground areas clean and free of broken glass.

Potential Special Projects in 2010/11

Computer Lab: We were told that Abrams tenants are participating with the Preston Park Tenants Association, thus forming a joint tenants association. If the tenants association and City Council are committed to establishing a computer lab for homework/emails for seniors/etc, we would be happy to work on this project. California State University Monterey Bay may offer volunteers through the Service Learning Institute, responsible for computer maintenance and resident training. The tenants stated they could solicit donations of computers.

Community Garden/Promoting Environmental Stewardship: The Monterey County Community Foundation offers Neighborhood Grants (up to \$4,000) to neighborhood groups for special projects that foster community building. We would encourage the tenants association to pursue a grant that could facilitate the creation of a community garden or a youth program encouraging environmental stewardship of the dunes and other natural habitat so accessible at Abrams.

Master Plan for Playground Areas: In our professional judgment, eleven playground areas for the combined Abrams/Preston communities are more than necessary. We suggest a community process, jointly with the City Department of Recreation and Cultural Services, to examine which playgrounds to retain, targeted at which age levels, and which areas may be repurposed for alternate uses such as a dog park, community garden, adult fitness training trail, perhaps vehicle parking.

Summary of Preston Park FY10/11 Budget

	2010/11	2009/10 Projected	2010 Budget
Total Income	\$5,108,226	\$4,958,715	\$4,947,723
Total Operating Expense	\$1,342,260	\$1,212,461	\$1,429,723
Net Operating Income	\$3,765,965	\$3,746,253	\$3,518,000
Net Income	\$3,765,965	\$3,746,253	\$3,518,000

We will continue to look for new ways to improve our services over the coming year and remain committed to meeting the objectives set by the City of Marina.

Please feel free to contact me should you have additional questions or concerns at (925) 640-3333. We look forward to receiving approval of the rent formulas and final budget prior to May 31, 2010, in order to implement rental increases by August 1, 2010.

Regards,

Jill Hammond
Regional Manager

cc: Jennifer Coile, City of Marina
Douglas Yount, Director of Community Development
Jim Krohn, Chief Financial Officer, Alliance Communities, Inc.
Annette Thurman, Vice President of Operations, Alliance Communities, Inc.

Exhibit B



PRESTON PARK 2011 STANDARD BUDGET DETAIL BUDGET

Acct #	Description	2011												Total	2010 Projected	
		Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11			
RENTAL INCOME																
5102	Gross Market Potential	\$434,479	\$441,788	\$441,788	\$441,788	\$441,788	\$441,788	\$441,788	\$441,788	\$441,788	\$441,788	\$441,788	\$441,788	\$441,788	\$5,294,145	\$5,162,645
5103	Market Gain/Loss to Lease	(\$45,557)	(\$43,783)	(\$43,783)	(\$43,783)	(\$43,783)	(\$43,783)	(\$43,783)	(\$43,783)	(\$43,783)	(\$43,783)	(\$43,783)	(\$43,783)	(\$43,783)	(\$326,706)	(\$370,166)
ACTUAL POTENTIAL RENT		\$388,922	\$398,005	\$398,005	\$398,005	\$398,005	\$398,005	\$398,005	\$398,005	\$398,005	\$398,159	\$398,159	\$398,159	\$398,159	\$4,767,439	\$4,552,479
Non-Rentals																
5115	Non-Rentals Apartments	(\$2,753)	(\$2,803)	(\$2,803)	(\$2,803)	(\$2,803)	(\$2,803)	(\$2,803)	(\$2,803)	(\$2,803)	(\$2,803)	(\$2,803)	(\$2,803)	(\$2,803)	(\$33,581)	(\$22,112)
5120	Rental Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5125	Delinquent Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5130	Vacancy Loss	(\$9,875)	(\$11,923)	(\$11,923)	(\$11,923)	(\$11,923)	(\$11,923)	(\$11,923)	(\$11,923)	(\$11,923)	(\$11,923)	(\$11,923)	(\$11,923)	(\$11,923)	(\$125,969)	(\$117,772)
5135	Prepaid/Previous Paid Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5140	Other Months Rent/Deficiency Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5145	Bad Debt Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL RENTAL INCOME		\$376,295	\$386,279	\$386,279	\$386,279	\$386,279	\$386,279	\$386,279	\$386,279	\$386,279	\$386,279	\$386,279	\$386,279	\$386,279	\$4,567,889	\$4,455,608
Physical Occupancy																
Physical Occupancy		97.73 %	97.30 %	97.30 %	97.30 %	97.30 %	97.30 %	97.30 %	97.30 %	97.30 %	97.30 %	97.30 %	97.30 %	97.30 %	97.62 %	97.74 %
Economic Occupancy		96.76 %	96.30 %	96.30 %	96.30 %	96.30 %	96.30 %	96.30 %	96.30 %	96.30 %	96.30 %	96.30 %	96.30 %	96.30 %	96.66 %	97.09 %
OTHER RESIDENT INCOME																
5205	Laundry	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5210	Washer/Dryer Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5211	Washer/Dryer Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5215	Resident Fees	\$0	\$885	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$885	\$884
5220	Carport Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5221	Garage Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5225	Damages/Clearing Fees	\$1,380	\$1,380	\$1,380	\$1,380	\$1,380	\$1,380	\$1,380	\$1,380	\$1,380	\$1,380	\$1,380	\$1,380	\$1,380	\$18,330	\$18,187
5230	Phone System Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5233	Phone System Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5235	Storage Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5240	Termination Fees	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250	\$208
5245	MTM Premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5250	Application Fees	\$410	\$451	\$553	\$451	\$451	\$451	\$451	\$451	\$451	\$451	\$451	\$451	\$451	\$5,904	\$8,061
5255	Pet Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5260	NSF/Late Fees	\$925	\$925	\$925	\$925	\$925	\$925	\$925	\$925	\$925	\$925	\$925	\$925	\$925	\$11,100	\$11,905
5265	Resident Utility Bill Back Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5270	Alarm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5275	SMART Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5280	Transfer Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5285	Mail Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5290	Renovation Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER RESIDENT INCOME		\$2,965	\$3,651	\$2,838	\$2,756	\$2,787	\$2,756	\$2,756	\$2,756	\$2,756	\$2,756	\$2,756	\$2,756	\$2,756	\$34,728	\$36,912

**PRESTON PARK
2011 STANDARD BUDGET
DETAIL BUDGET**



Acct. #	Description	2011 (Total)												2010 Projected		
		Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11			
MISCELLANEOUS INCOME																
5305	Miscellaneous Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5310	Outhouse Income	\$37,548	\$37,548	\$37,548	\$37,548	\$37,548	\$37,548	\$37,548	\$37,548	\$37,548	\$37,548	\$37,548	\$37,548	\$37,548	\$490,576	\$491,625
5315	Vending Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5325	Interest Income	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$14,640	\$14,178
5330	Cable Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5331	Cable Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5335	Collection Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5340	Bad Debt Income	\$0	\$392	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$392	\$392
	TOTAL MISCELLANEOUS INCOME	\$38,768	\$39,160	\$38,768	\$38,768	\$38,768	\$38,768	\$38,768	\$38,768	\$38,768	\$38,768	\$38,768	\$38,768	\$465,638	\$468,194	
CORPORATE APT INCOME																
5405	Corp Apartment Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5408	Corp Apartment Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL CORPORATE APT INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RETAIL INCOME																
5505	Retail Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5550	Retail Income CAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5555	Retail Income Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5560	Retail Income Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL RETAIL INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL INCOME	\$418,028	\$428,090	\$424,895	\$425,743	\$425,472	\$424,803	\$427,594	\$428,267	\$424,614	\$428,070	\$428,136	\$428,533	\$5,108,226	\$4,958,716	
CONTROLLABLE OPERATING EXPENSES																
PAYROLL																
6405	Administrative Salaries	\$13,027	\$13,027	\$12,607	\$13,027	\$12,607	\$13,027	\$11,766	\$11,766	\$19,027	\$12,607	\$13,027	\$12,607	\$153,390	\$136,806	
	Maintenance Salaries	\$17,854	\$17,854	\$17,278	\$17,854	\$17,854	\$17,854	\$18,126	\$18,126	\$17,854	\$17,278	\$17,854	\$17,278	\$210,220	\$186,861	
	Bonus	\$1,610	\$1,645	\$3,048	\$1,795	\$2,050	\$2,050	\$2,050	\$2,050	\$3,363	\$2,050	\$2,050	\$3,363	\$27,865	\$17,551	
6410	Payroll Taxes	\$5,296	\$5,297	\$4,536	\$4,097	\$3,598	\$3,175	\$2,760	\$2,608	\$2,815	\$2,533	\$2,544	\$2,557	\$41,708	\$28,482	
6430	Payroll Benefits and Burden	\$3,845	\$3,851	\$3,851	\$6,856	\$5,774	\$6,214	\$5,877	\$5,637	\$5,961	\$5,814	\$6,200	\$5,861	\$70,772	\$51,251	
6440	Non-Staff Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6445	New Hire Expense	\$0	\$0	\$155	\$0	\$0	\$155	\$0	\$0	\$155	\$0	\$0	\$155	\$620	\$683	
	TOTAL PAYROLL	\$43,632	\$43,643	\$43,504	\$42,563	\$40,937	\$43,263	\$41,568	\$38,088	\$43,174	\$40,557	\$41,676	\$41,851	\$504,582	\$468,905	
LANDSCAPING																
7105	Landscaping Monthly Service	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$97,200	\$97,895	
7110	Landscaping Other	\$0	\$0	\$750	\$0	\$0	\$750	\$0	\$0	\$2,250	\$0	\$0	\$750	\$4,500	\$4,533	
7115	Irrigation/Sprinkler Repairs	\$750	\$0	\$0	\$750	\$0	\$0	\$750	\$0	\$0	\$750	\$0	\$0	\$3,000	\$2,191	
	TOTAL LANDSCAPING	\$8,850	\$8,100	\$8,850	\$9,600	\$8,100	\$10,350	\$9,600	\$8,100	\$10,350	\$9,600	\$9,600	\$9,600	\$104,700	\$104,619	

**PRESTON PARK
2011 STANDARD BUDGET
DETAIL BUDGET**



Acct #	Description	2010												2011 Total	2010 Projected	
		Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11			
UTILITIES																
7205	Electric - Common Area	\$1,465	\$1,465	\$1,465	\$1,465	\$1,465	\$1,465	\$1,465	\$1,465	\$1,465	\$1,465	\$1,465	\$1,465	\$1,465	\$17,580	\$16,374
7207	Electric - Vacant	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$7,380	\$7,202
7210	Gas - Common Area	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$2,160	\$2,083
7212	Gas - Vacant	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$720	\$1,805
7215	Water	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400	\$14,029
7220	Sewer	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$57,000	\$56,709
7225	Trash Removal	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$1,704	\$1,557
7230	Cable Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7235	Utility Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL UTILITIES	\$8,412	\$8,412	\$8,412	\$8,412	\$8,412	\$8,412	\$8,412	\$8,412	\$8,412	\$8,412	\$8,412	\$8,412	\$8,412	\$100,944	\$99,968

REDECORATING																
7305	Redecorating - General Clearing	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$2,520	\$2,001
7310	Redecorating - Carpet/Tile	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000	\$2,321
7315	Redecorating - Painting Supplies	\$892	\$892	\$892	\$892	\$892	\$892	\$892	\$892	\$892	\$892	\$892	\$892	\$892	\$10,704	\$8,125
7320	Redecorating - Painting Contract	\$1,033	\$1,033	\$1,033	\$1,033	\$1,033	\$1,033	\$1,033	\$1,033	\$1,033	\$1,033	\$1,033	\$1,033	\$1,033	\$12,396	\$9,301
7325	Redecorating - Rehab	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$22,500	\$18,408
7330	Redecorating - Drapes/Blinds	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$840	\$1,214
	TOTAL REDECORATING	\$4,330	\$4,330	\$4,330	\$4,330	\$4,330	\$4,330	\$4,330	\$4,330	\$4,330	\$4,330	\$4,330	\$4,330	\$4,330	\$51,416	\$39,371

MAINTENANCE																
7420	Building & Structure	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200	\$1,058
7425	Elevator Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7430	Electrical	\$960	\$960	\$960	\$960	\$960	\$960	\$960	\$960	\$960	\$960	\$960	\$960	\$960	\$11,520	\$10,424
7435	Plumbing	\$915	\$915	\$915	\$915	\$915	\$915	\$915	\$915	\$915	\$915	\$915	\$915	\$915	\$10,980	\$9,231
7436	HVAC	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$3,480	\$3,055
7440	Supplies	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$530	\$6,360	\$5,819
7442	Housekeeping	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$1,440	\$1,355
7445	Small Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7450	Pest Control	\$470	\$470	\$470	\$470	\$470	\$470	\$470	\$470	\$470	\$470	\$470	\$470	\$470	\$5,640	\$4,263
7455	Swimming Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7460	Maintenance Guarantee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7465	Stow Removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7470	Windows/Doors	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$610	\$7,320	\$7,483
7475	Keys & Locks	\$317	\$317	\$317	\$317	\$317	\$317	\$317	\$317	\$317	\$317	\$317	\$317	\$317	\$3,804	\$3,267
7480	Fire Extinguish, 1st Aid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7481	Alarm Expense	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$1,680	\$2,619
7485	Maintenance Other	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$2,220	\$1,956
7488	Maintenance Uniforms	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7490	Maintenance - Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL MAINTENANCE	\$4,637	\$4,637	\$4,637	\$4,637	\$4,637	\$4,637	\$4,637	\$4,637	\$4,637	\$4,637	\$4,637	\$4,637	\$4,637	\$58,863	\$62,283

**PRESTON PARK
2011 STANDARD BUDGET
DETAIL BUDGET**



Acct #	Description	2011 Total												2010 Projected		
		Jan-11	Feb-11	Mar-11	April	May-11	June-11	July-11	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10			
MARKETING																
7505	Advertising-Print	\$195	\$195	\$195	\$195	\$195	\$195	\$195	\$195	\$195	\$195	\$195	\$195	\$195	\$2,340	\$2,306
7510	Advertising-Product Exp.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7515	Apartment Magazines/Guides	\$195	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$198	\$230
7520	Advertising Internet, Radio & TV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$800	\$1,610
7525	Collaterals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7530	Advertising Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7535	Dues, Memberships & Subscriptions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$841	\$841
7540	Resident Functions	\$0	\$1,550	\$200	\$0	\$0	\$0	\$200	\$0	\$0	\$0	\$0	\$0	\$400	\$2,350	\$2,202
7545	Signage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7550	Marketing Promotion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7555	Leasing/Broker Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$53
7560	Resident Referrals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7565	Resident Referral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7570	Model Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$186
7575	Other Marketing - Non Advertisement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7580	Shopper Reports	\$260	\$25	\$80	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL MARKETING	\$653	\$1,770	\$455	\$561	\$255	\$220	\$455	\$220	\$220	\$220	\$220	\$220	\$220	\$6,829	\$6,829

Acct #	Description	2011 Total												2010 Projected		
		Jan-11	Feb-11	Mar-11	April	May-11	June-11	July-11	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10			
ADMINISTRATIVE																
7620	Telephone	\$1,035	\$805	\$805	\$805	\$805	\$805	\$805	\$805	\$805	\$805	\$805	\$805	\$805	\$9,890	\$9,318
7621	Pagers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7622	Answering Service	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$800	\$886
7625	Office Supplies	\$410	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$3,820	\$3,672
7630	Office Equip/Furniture Rental	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$2,520	\$2,432
7635	Postage/Express Mail	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$3,448	\$3,353
7636	Printing	\$0	\$0	\$32	\$0	\$32	\$0	\$32	\$0	\$32	\$0	\$32	\$0	\$32	\$128	\$127
7640	Licensees & Subscriptions	\$15	\$15	\$21	\$18	\$85	\$18	\$18	\$18	\$18	\$24	\$18	\$18	\$18	\$3,169	\$3,103
7645	Courtesy Patrol	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7650	Training & Education	\$59	\$59	\$59	\$59	\$59	\$59	\$59	\$59	\$59	\$59	\$59	\$59	\$59	\$636	\$673
7655	Eviction/Legal Fees	\$275	\$220	\$1,185	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$6,585	\$6,123
7660	Credit Bureau Fees	\$188	\$215	\$289	\$242	\$215	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$2,905	\$2,947
7655	Bank Charges/Credit Card Fees	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$1,380	\$1,442
7670	Travel & Entertainment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$2,159
7675	Administrative Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7680	Charitable Contribution Exp.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7685	Administrative Uniforms	\$0	\$0	\$900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,328	\$1,357
7690	Computer Expense	\$0	\$0	\$750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,904	\$7,476
7695	Renters Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7696	Bad Debt Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL ADMINISTRATIVE	\$2,669	\$2,311	\$5,028	\$4,371	\$2,265	\$4,133	\$4,230	\$2,828	\$2,341	\$2,828	\$2,341	\$2,828	\$4,088	\$45,839	\$44,428



**PRESTON PARK
2011 STANDARD BUDGET
DETAIL BUDGET**

Acct #	Description	2010												2011 Total	2010 Projected		
		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10				
RETAIL EXPENSE																	
7705	Retail Administrative Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7710	Retail Electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7711	Retail Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7712	Retail Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7713	Retail Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7714	Retail Telephone	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7715	Retail Trash Removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7720	Retail Cleaning	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7725	Retail Landscapes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7730	Retail Window Cleaning	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7735	Retail Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7740	Retail Repairs & Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7741	Retail Parking Lot Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7742	Retail Parking Lot Lighting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7743	Retail HVAC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7744	Retail Elevator Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7750	Retail Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7765	Retail Signage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7780	Retail Snow Removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7785	Retail Roof Repair	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7770	Retail Painting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7775	Retail Fire Protection Systems	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7780	Retail Machinery & Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7785	Retail Management Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7790	Retail Real Estate Tax Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7785	Retail Insurance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL RETAIL EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL CONTROLLABLE EXPENSES	\$73,183	\$73,203	\$73,916	\$74,268	\$69,001	\$70,384	\$67,448	\$70,476	\$70,372	\$68,715	\$74,643	\$683,223	\$886,695			
NON CONTROLLABLE EXPENSES																	
PROFESSIONAL SERVICES																	
8105	Management Fees	\$10,734	\$10,935	\$10,905	\$10,927	\$10,920	\$10,903	\$10,940	\$10,973	\$10,985	\$10,968	\$10,986	\$131,402	\$127,019			
8107	Incentive Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
8108	Asset Mgt Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
8110	Accounting/Audit Fees	\$0	\$0	\$8,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,250	\$8,250			
8115	Partnership Legal Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
8120	Tax Consulting Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
8125	Professional Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
8130	Appl Assoc. Dues & Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	TOTAL PROFESSIONAL SERVICES	\$10,734	\$10,935	\$19,155	\$10,927	\$10,920	\$10,903	\$10,940	\$10,973	\$10,985	\$10,968	\$10,986	\$139,352	\$135,269			
INSURANCE																	
8206	Property & Liability Insurance	\$19,735	\$19,735	\$19,735	\$19,735	\$19,735	\$19,735	\$19,735	\$19,735	\$19,735	\$19,735	\$19,735	\$194,814	\$164,835			
8210	Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
8215	Other Insurance	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$2,208	\$2,208			
	TOTAL INSURANCE	\$19,899	\$19,900	\$19,900	\$19,900	\$19,900	\$19,900	\$19,900	\$19,900	\$19,900	\$19,900	\$19,900	\$197,022	\$167,043			

**PRESTON PARK
2011 STANDARD BUDGET
DETAIL BUDGET**



Acct #	Description	2010	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	2011 Total	2010 Projected
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AD-VALOREM TAXES		10/10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	2011 Total	2010 Projected
8805	Real Estate Taxes	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$103,104	\$103,010
8810	Personal Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8815	Taxes Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8820	Local/City Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AD-VALOREM TAXES		\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$8,592	\$103,104	\$103,010

NON ROUTINE MAINTENANCE		10/10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	2011 Total	2010 Projected
8410	Buildings and Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,360	\$0
8415	Furniture & Fixtures	\$2,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,200	\$0
8420	Paving & Landscaping	\$0	\$0	\$18,000	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$28,000	\$0
8425	Apartment Interiors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8426	Flooring - Carpet	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8427	Flooring - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8430	Other Non-Routine	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL NON ROUTINE MAINTENANCE		\$2,200	\$0	\$18,000	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$49,560	\$444
TOTAL NON CONTROL EXPENSES		\$25,444	\$33,446	\$59,666	\$53,437	\$35,430	\$33,414	\$59,408	\$22,810	\$32,483	\$43,495	\$33,497	\$59,607	\$469,638	\$405,766

TOTAL OPERATING EXP		\$108,627	\$106,649	\$139,681	\$107,707	\$102,431	\$108,777	\$119,841	\$128,238	\$112,867	\$103,212	\$108,150	\$1,342,260	\$1,212,461
NET OPERATING INCOME		\$309,400	\$319,442	\$285,304	\$318,036	\$223,041	\$315,026	\$314,573	\$306,009	\$314,263	\$204,824	\$280,384	\$3,765,965	\$3,746,253

DEBT SERVICE		10/10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	2011 Total	2010 Projected
9005	Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9010	Debt Service-2nd Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9011	Debt Service - Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9015	Other Lease Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9020	Other Lease Payments-Ins.Escrow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9025	Other Lease Payments-Tax Escrow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DEBT SERVICE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

DEPRECIATION		10/10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	2011 Total	2010 Projected
9109	Deprec - Land Lease	\$0	\$4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4	\$0
9110	Deprec - Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9115	Deprec - Furniture & Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9120	Deprec - Paving & Landscapes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9125	Deprec - Apartment Interiors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9130	Deprec - Other Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DEPRECIATION		\$0	\$4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4	\$0

AMORTIZATION		10/10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	2011 Total	2010 Projected
9210	Amortization Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9220	Amortization - Loan Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AMORTIZATION		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**PRESTON PARK
2011 STANDARD BUDGET
DETAIL BUDGET**



Acct. #	Description	2011												2010 Projected			
		Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11		Total		
PARTNERSHIP																	
9405	Legal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9410	Audit and Tax Preparation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9415	Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9416	Supervisory Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9417	Admin Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9418	Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9420	Travel Partnership	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9430	Interest Income - Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL PARTNERSHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EXTRAORDINARY COST																	
9510	Extraordinary Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL EXTRAORDINARY COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	NET INCOME	\$308,490	\$319,442	\$285,304	\$318,036	\$323,041	\$315,026	\$314,573	\$306,009	\$315,624	\$314,203	\$324,824	\$328,884	\$376,595	\$374,623	\$374,623	
CAPITAL EXPENDITURES																	
1410	Building and Structures	\$466,813	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$466,813	\$46,857
1415	Furniture & Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1416	Autos/Trucks	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1420	Paving & Landscaping	\$740,719	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$740,719	\$0
1425	Apartment Interiors	\$44,366	\$53,351	\$23,305	\$19,366	\$53,351	\$23,305	\$19,366	\$17,868	\$23,305	\$19,366	\$17,868	\$23,305	\$336,193	\$314,116	\$0	\$0
1426	Carpet/Plank - Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1427	Appliances - Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1430	Other Capital	\$70,894	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70,894	\$0
	TOTAL CAPITAL EXPENDITURES	\$1,222,732	\$53,351	\$23,305	\$19,366	\$93,351	\$23,305	\$19,366	\$17,868	\$23,305	\$19,366	\$17,868	\$23,305	\$1,616,564	\$962,973	\$0	\$0
MORTGAGE PRINCIPAL																	
2205	Mortgage Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL MORTGAGE PRINCIPAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAX ESCROW																	
1335	Tax Escrow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL TAX ESCROW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INSURANCE ESCROW																	
1340	Insurance Escrow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL INSURANCE ESCROW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INTEREST ESCROW																	
1341	Interest Escrow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL INTEREST ESCROW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
REPLACEMENT RESERVE																	
1345	Replacement Reserve Imputed	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$785,280
	TOTAL REPLACEMENT RESERVE	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$60,497	\$785,280

**PRESTON PARK
2011 STANDARD BUDGET
DETAIL BUDGET**



Acct #	Description	2010												2011 Total	2010 Projected		
		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10				
	REPLACEMENT RESERVE REIMBURSEMENT																
	Replacement Reserve Reimbursement	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)
	TOTAL REPLACEMENT RESERVE REIMBURSEMENT	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)	(\$134,714)
	WIP																
1501	WIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1502	WIP - Contra Operating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL WIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	OWNER DISTRIBUTIONS																
3010	Owner Distributions	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333
	TOTAL OWNER DISTRIBUTIONS	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333	\$253,333
	DEPRECIATION AND AMORTIZATION																
	Depreciation and Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL DEPRECIATION AND AMORTIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	NET CASH FLOW	(\$1,182,448)	\$85,934	\$82,863	\$119,554	\$90,534	\$112,805	\$116,091	\$109,027	\$112,203	\$115,721	\$127,942	\$117,955	\$0	\$0	\$0	\$0

**PRESTON PARK
2011 STANDARD BUDGET
CONSOLIDATION & SIGN-OFF**



Description	2011 Total		2010 Properties		Variance	Variance %
	Amount	%	Amount	%		
Physical Occupancy	\$7,62	%	\$7,74	%		
Economic Occupancy	\$6,65	%	\$7,03	%		
Gross Market Potential	\$5,294,145		\$5,162,645		\$131,500	2.5%
Market Gain/Loss to Lease	(\$526,708)		(\$570,166)		\$43,458	7.6%
Non-Rentable Apartments	(\$33,581)		(\$22,112)		(\$11,469)	-51.9%
Rental Concessions	\$0		\$0		\$0	0.0%
Delinquent Rent	\$0		(\$827)		\$827	100.0%
Vacancy Loss	(\$125,569)		(\$117,772)		(\$7,797)	-7.0%
Prepaid/Previous Paid Rent	\$0		\$0		\$0	0.0%
Other Month Rent/Delinquency Recovery	\$0		\$3,640		(\$3,640)	-100.0%
Bad Debt Expense	\$24,720		\$38,912		(\$14,192)	-5.8%
Other Resident Income	\$465,008		\$466,184		(\$1,176)	-0.1%
Miscellaneous Income	\$0		\$0		\$0	0.0%
Corp Apartment Income	\$0		\$0		\$0	0.0%
Retail Income	\$0		\$0		\$0	0.0%
TOTAL INCOME	\$5,108,226		\$4,988,715		\$119,511	2.0%
PAYROLL	\$504,592		\$449,905		\$54,687	-12.2%
LANDSCAPING	\$104,700		\$104,419		(\$281)	-0.3%
UTILITIES	\$100,844		\$98,358		(\$2,486)	-1.6%
REDECORATING	\$51,416		\$39,371		(\$12,045)	-30.6%
MAINTENANCE	\$68,803		\$82,283		(\$13,480)	-10.5%
MARKETING	\$6,938		\$6,928		\$10	-0.1%
ADMINISTRATIVE	\$45,839		\$44,429		(\$1,410)	-3.2%
RETAIL EXPENSE	\$0		\$0		\$0	0.0%
PROFESSIONAL SERVICES	\$139,352		\$135,269		(\$4,083)	-3.0%
INSURANCE	\$167,022		\$167,043		(\$21)	0.0%
AD-VALOREM TAXES	\$103,104		\$103,010		(\$94)	-0.1%
NON ROUTINE MAINTENANCE	\$49,590		\$444		(\$49,146)	-11080.7%
TOTAL OPERATING EXP	\$1,342,268		\$1,212,461		(\$129,799)	-10.1%
NET OPERATING INCOME	\$3,765,958		\$3,776,253		(\$10,295)	0.5%
DEBT SERVICE	\$0		\$0		\$0	0.0%
DEPRECIATION	\$0		\$0		\$0	100.0%
AMORTIZATION	\$0		\$0		\$0	0.0%
PARTNERSHIP	\$0		\$0		\$0	0.0%
EXTRAORDINARY COST	\$0		\$0		\$0	0.0%
NET INCOME	\$3,765,958		\$3,766,253		(\$295)	0.6%
CAPITAL EXPENDITURES	\$1,616,564		\$382,973		(\$1,233,591)	-\$45.4%
MORTGAGE PRINCIPAL	\$0		\$0		\$0	0.0%
TAX ESCROW	\$0		\$0		\$0	0.0%
INSURANCE ESCROW	\$0		\$0		\$0	0.0%
INTEREST ESCROW	\$0		\$0		\$0	0.0%
REPLACEMENT RESERVE	\$725,985		\$766,280		(\$40,295)	-7.7%
REPLACEMENT RESERVE REIMBURSEMENT	(\$1,616,564)		(\$383,000)		\$1,233,564	345.3%
WTP	\$0		\$0		\$0	0.0%
OWNER DISTRIBUTIONS	\$3,043,000		\$2,560,000		(\$483,000)	-2.7%
DEPRECIATION AND AMORTIZATION	\$0		\$0		\$0	0.0%
NET CASH FLOW	\$0		\$0		(\$0)	-47.4%

Owner	Date
Asset Manager <td>Date</td>	Date
COO <td>Date</td>	Date
VP <td>Date</td>	Date
Regional Manager <td>Date</td>	Date
Business Manager <td>Date</td>	Date

Alliance Residential, LLC makes no guarantee, warranty or representation whatsoever in connection with the accuracy of this Operating Budget as it is intended as a good faith estimate only.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Administrative Committee report

Meeting Date: June 11, 2010

Agenda Number: 8a

INFORMATION

RECOMMENDATION

Receive a report from the Administrative Committee

BACKGROUND/DISCUSSION

The Administrative Committee met May 5, 2010. The minutes of the May 5th meeting were approved on June 2, 2010, and are attached.

The Administrative Committee also had joint meetings with the Capital Improvement Program Committee on May 19 and June 2, 2010. The approved minutes for the May 19th meeting are also attached. The minutes of the June 2nd meeting have not yet been prepared.

FINANCIAL IMPACT

Reviewed by FORA Controller *M.F. for I.B.*

Staff time for this item is included in the approved FY 09-10 budget.

COORDINATION

Administrative Committee and Capital Improvement Program Committee

Prepared by 
Daylene Alliman

Approved by 
Michael A. Houlemard, Jr.

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MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING Wednesday, May 5, 2010

APPROVED

1. Call to Order

Chair/Executive Officer Michael Houlemard called the meeting to order at 8:17 a.m. The following land recipient jurisdiction representatives, establishing a quorum, were present:

*Jim Cook - County of Monterey

*Diana Ingersoll - City of Seaside

*Daniel Dawson – City of Del Rey Oaks

*Elizabeth Caraker – City of Monterey

*Doug Yount – City of Marina

Also present, as noted by the roll sheet, were:

Jim Arnold – FORA

Nick Nichols – County of Monterey

Crissy Maras – FORA

Keith McCoy - Urban Community Partners

Tim O'Halloran – City of Seaside

Ian Gillis - Urban Community Partners

Steve Endsley - FORA

Kathleen Ventimiglia – CSUMB

Jonathan Garcia – FORA

Andy Sterbenz - Schaaf & Wheeler

Pat Ward – Bestor Engineers

Anya Spear – CSUMB

*Graham Bice – UC MBEST

Chuck Lande – Marina Heights

*Vicki Nakamura – MPC

Debby Platt – City of Marina

*Todd Muck – TAMC

*Carl Niizawa – MCWD

Bob Schaffer - Marina Community Partners

* indicates a committee member

Voting board member jurisdictions not represented at this meeting were Salinas, Pacific Grove, Sand City, and Carmel.

2. Pledge of Allegiance

Chair Houlemard asked Daylene Alliman, who agreed, to lead the Pledge of Allegiance.

3. Acknowledgements, announcements and correspondence

Chair Houlemard acknowledged the following: Monterey Peninsula College's (MPC) Marina Satellite Campus groundbreaking ceremony, the Ribbon Cutting ceremony event at the Monterey College of Law, Community Justice Center in Seaside, and, across the street from the Dunes Shopping Center in Marina, the Community Hospital of the Monterey Peninsula groundbreaking of its new wellness center.

4. Public comment period - None

5. **Approval of April 14, 2010 meeting minutes**

Motion to approve the April 14, 2010 meeting minutes was made by Diana Ingersoll and seconded by Todd Muck. The minutes were approved by consensus, since there were no objections.

6. **Review the May 14, 2010 FORA Board meeting agenda and draft board reports**

Re: FORA Board meeting location change – Monterey College of Law facility: Chair Houlemard discussed the existing location at the FORA Conference facility is being used by the Bridge Center for a tournament on that date. FORA had anticipated using the new conference facility at the Carpenter's Hall, which has not yet received its occupancy permit. The City of Seaside, in a cooperative effort with the Monterey College of Law, recently opened its Community Justice Center, where Chair/Mayor Rubio participated in the recent ribbon cutting ceremony.

Item #4 The Legislative Session presentation: Chair Houlemard discussed the Legislative Session presentation, which accommodates representatives from the 17th Congressional District – Congressman Sam Farr, 12th State Senate District – representative for Senator Jeff Denham - Bill Ritz, and the 28th State Senate District - Assemblymember Anna Caballero. An McDowell is confirming attendance from the 27th State Assembly District - Assemblymember Bill Monning. Chair Houlemard also acknowledged the 15th State Senate District will likely not attend since representative Abel Maldonado has been appointed Lieutenant Governor. Chair Houlemard concluded that there is uncertainty regarding the process in replacing the representative from that District.

Item #7b Preston Park Financing Memorandum of Agreement: Chair Houlemard discussed the Memorandum of Agreement ("MOA") with the City of Marina for Preston Park. The MOA, which was drafted between FORA and City of Marina attorneys, is acceptable to both. The MOA formalizes certain assurances for the City of Marina regarding FORA's Preston Park financing, consistent with previous board direction. This will be a consent agenda item.

Item #8a Habitat Conservation Plan ("HCP") joint powers authority issue: Director of Planning & Finance and Acting Assistant Executive Officer Steve Endsley reported on the response to the Board's direction requesting staff to provide alternatives that would be fair and equitable to each agency. Mr. Endsley discussed four weighted voting approaches based on the following: population, funds contributed, habitat, and landmass. Mr. Endsley commented that these approaches seemed to lead to the same result, where larger jurisdictions (Seaside, Marina and County of Monterey) would have two votes and smaller jurisdictions and the educational institutions would have one vote. Chair Houlemard stated that there was no action required by the Administrative Committee since the Board had directed staff to present solutions.

Item # 8b Office of Economic Adjustment Grant - Veterans Cemetery Infrastructure Planning: Jim Cook (County of Monterey) commented that FORA Senior Planner, Jonathan Garcia, had done a phenomenal job reviewing the proposals and determining the winning bid. Chair Houlemard stated that FORA received high quality proposals. Mr. Garcia noted that the selection panel reviewed the consultant proposals for this work and had come to a decision. FORA is confirming the selection panel's decision with OEA and will share the selection as soon as possible.

Item #9a FORA FY 10-11 preliminary budget: Chair Houlemard commented that the budget itself is not being presented but that the Finance Committee meets May 10, 2010 to discuss and review the preliminary budget.

Item#9b Capital Improvement Program – Workshop/Presentation: Chair Houlemard announced that staff would be providing its annual Capital Improvement Program (CIP) presentation to the FORA Board this month. Typically, staff provide an informational report in May and take the CIP for approval at the June meeting. This presentation will be discussed in further detail at today's Joint FORA Admin/CIP Committee meeting.

Item #10 Executive Officer's Report: Chair Houlemard provided summary reports of the items on the Executive Officer's Report noting a presentation to the Board of the legislative hearing for AB 1791 in Sacramento and a recap of the legislative mission trip to Washington, DC. Jim Cook (County of Monterey) recognized the work of FORA, stating the phenomenal results of the legislative hearing on AB 1791 and that the recap of the DC report to the Board will show that FORA has accomplished a lot this year. Chair Houlemard also noted that the Transportation Agency for Monterey County (TAMC) will make a presentation at the June meeting regarding transit oriented development.

7. Old Business

American Reinvestment and Recovery Act (ARRA) grant modifications package: Director of Planning & Finance and Acting Assistant Executive Officer Steve Endsley presented a status report on the ARRA grant modifications package to the Economic Development Administration (EDA) stating that there are several elements of the grant process yet to be completed, including receiving feedback in terms of Board approved aspects of the grant application. Steve noted that EDA staff apprised FORA that approval of additional work outside of the original grant environmental documentation would be sent back to the Washington, DC, office for review, which could jeopardize the grant funds. Jim Cook (County of Monterey) stated that \$800,000 for traffic signals was not part of the original grant package. Staff indicated that they were complying to the letter with prior Board approvals. Mr. Cook requested a copy of the package that was submitted to the EDA and staff stated it would be provided. Senior Project Manager Jim Arnold discussed the process for signalization of the two intersections along General Jim Moore Boulevard (an item previously approved by the FORA Board). FORA has a standard process that uses traffic thresholds to determine if signalization is warranted. It is not clear that EDA would consider funding the traffic signals, which is why we are asking them the question. If EDA is unwilling to fund the traffic signals or signalization is not warranted (per FORA's process), this funding might be available to future grant work. Chair Houlemard noted that everything FORA has exchanged with EDA on this item is public information and could be shared with those who would like to review. He further noted that timing is critical. The climate in Washington, DC is that unexpended budgets are being taken back. Nineteen projects so far have been swept back and any money not obligated for the Department of Defense or Homeland Security is being used to offset the deficit. We need to proceed gingerly to secure this funding.

8. New Business

None.

9. Adjournment

Chair Houlemard adjourned the meeting at 8:55 a.m.

Minutes prepared by Daylene Alliman, Executive Assistant/Deputy Clerk

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APPROVED

**MINUTES OF THE
JOINT ADMINISTRATIVE / CAPITAL IMPROVEMENT PROGRAM
COMMITTEE MEETING
Wednesday, May 19, 2010**

1. Call to order at 8:45 a.m.

Administrative Committee co-chair Doug Yount called the meeting to order at 8:15 a.m. The following people, as indicated by signatures on the roll sheet, were present:

Nick Nichols, Monterey County
Anya Spear, CSUMB
Doug Yount, City of Marina
Tim O'Halloran, City of Seaside
Hank Myers, TAMC
Daniel Dawson, City of DRO
Diana Ingersoll, City of Seaside
Debby Platt, City of Marina
Pat Ward, Bestor Engineers
Steve Endsley, FORA
Vicki Nakamura, MPC

Michael A. Houlemard, Jr., FORA
Jim Arnold, FORA
Graham Bice, UCMBEST
Bob Schaffer, MCP
Ray Corpuz, City of Seaside
Elizabeth Caraker, City of Monterey
John Marker, CSUMB
Crisand Giles, HBANC
Scott Hilk, MCP
Jonathan Garcia, FORA
Crissy Maras, FORA

2. Public Comment Period – none

3. Approval of minutes from May 5, 2010 joint meeting

The minutes were approved as presented.

4. Old Business

a. Capital Improvement Program (CIP)

1) CIP presentation – additional information requested

The presentation reviewed by these committees had been given at the May 14th FORA Board meeting and it was well received. Due to remaining questions at the last joint meeting, new slides were prepared in an effort to address committee member concerns. Slide 1, Original CEQA Obligations – 1998, was reviewed. Slide 2, 1999 Development Fee Assumptions was reviewed. It was noted that residential numbers are counted in units, industrial/office and retail counted in acres and hotels counted in rooms. Slide 3, FORA Obligations – 2010, was reviewed. It was noted that the original transportation obligation from 1998 is almost identical to the current cost, even after nearly \$60M in offsets, due to inflation; and, the figure shown for the HCP endowment is not a set amount. Slide 4, 2010 Development Forecast, was reviewed. It was noted that the CFD was amended a few years ago, at CSUMB's request, to include a tiered fee reduction to support jobs/housing balance through use of below market rate and workforce housing; and, that any time the CFD is amended, the Sierra Club may have questions regarding how that might affect the settlement agreement. Slide 5, Admin Committee Slide Request, was reviewed. This slide includes an equation illustrating the general balance of FORA's remaining CIP mitigations versus expected revenue from remaining allowable development. 5,780 new residential units remain and most are entitled. Nick Nichols, Monterey County, indicated that slide 5 responded to his request for additional information. Slide 6, Other Costs and Contingencies, was reviewed. Co-Chair Doug Yount, City of Marina, commented that he did not think this review of the FORA CFD was complete and suggested further review/discussion of the FORA fees.

2) Fiscal Year 2010/11 CIP Spreadsheets

CIP spreadsheets Table 1, Table 2, Table 3 and Table 4 were reviewed. Hank Myers, TAMC, reiterated a Monterey County request made at a previous joint meeting to move up funding for transportation project 2B (Davis Road south of Blanco) in order to keep grant funding and added TAMC support of that request. FORA Acting Assistant Executive Officer Steve Endsley responded that although there are currently no projected funds to divert to project 2B, there is a possibility of utilizing other funds, i.e. the CSUMB mitigation or other potential payments. Staff will explore the options.

Daniel Dawson, City of Del Rey Oaks, noted that on Table 3, the funding of the storm drainage project was not reflected in the shaded column titled To 2010. Staff will review and revise Table 3 as necessary. Other joint committee members suggested that Table 3 be updated to track with Table 1 mitigations accomplished and grants received.

Mr. Endsley explained that normally at this time of year, staff prepares the CIP for presentation to the Board. Staff would like to move the current draft CIP to the Board and maintain a separate track of analyzing the CFD fee. Mr. Yount requested to review the entire draft CIP document before it is presented to the Board. The draft CIP document can be distributed to the committees for review at their June 2nd meeting. Staff will prepare a board report for the June meeting explaining that the CIP will be presented to the Board in July. Mr. Nichols made a motion that the draft CIP, including the funding of project 2B as requested, be reviewed at the June 2nd joint committee meeting with the anticipation that it be presented to the FORA Board at their July meeting. Mr. Dawson seconded; the motion passed.

5. New Business

a. American Recovery and Reinvestment Act (ARRA) grant – update

Staff sent the FORA Board approved list of project restoration items to the grant project manager. All items, with the exception of the signal light at the Coe Avenue/General Jim Moore Blvd. intersection, were approved. Based on review of the costs of these items, the current contract cost (including previously approved change orders), and the costs of other EDA requirements (construction management, administrative fees, geotechnical, etc.) it appears that the ARRA grant will be fully expended. Any project other than what was originally environmentally reviewed by the EDA would open up a new internal review in Washington, DC, resulting in loss of grant funds. A detailed explanation will be sent to the FORA Executive Committee and grant task force members.

6. Next Meeting

An additional joint meeting was scheduled for June 2nd.

7. Adjournment

Mr. Yount adjourned the meeting at 10:00 a.m.

Minutes prepared by Crissy Maras, Administrative Coordinator

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Executive Officer's travel report

Meeting Date: June 11, 2010

Agenda Number: 8b

INFORMATION

RECOMMENDATION:

Receive a report regarding the Executive Officer's AB 1791 legislative hearing trip to Sacramento.

BACKGROUND/DISCUSSION:

The Executive Officer regularly submits reports to the Executive Committee providing details of his travel requests, including those by the Fort Ord Reuse Authority ("FORA") staff and board members. Travel expenses may be paid or reimbursed by FORA, outside agencies/ jurisdictions/organizations, or a combination of these sources. The Executive Committee reviews and approves these requests, and the travel information is reported to the Board as an informational item.

Executive Officer Houlemard traveled to the state capitol on May 25 and May 26, 2010 and met with:

- Ryan Guillen – Staff, Assemblymember Monning's office
- Cheryl Kozachenko – Staff, Senator Christine Kehoe's office
- Ngaia Demovic – Staff, Senator Cox' office
- Michael Miller – Staff, Senator DeSaulnier's office
- Mark Reeder – Staff, Senator Aanestad's office
- Ryan Eisberg – Republican Party Consultant
- Peter Detwiler – Staff, Senate Local Government
- Reggie Fair – Staff, and Senator Curren Price (26th Senate District)
- Dinora Ramirez – Staff, Lt. Governor Maldonado's office

The trip was successful and it is anticipated that AB 1791 will pass Senate local government on June 9th.

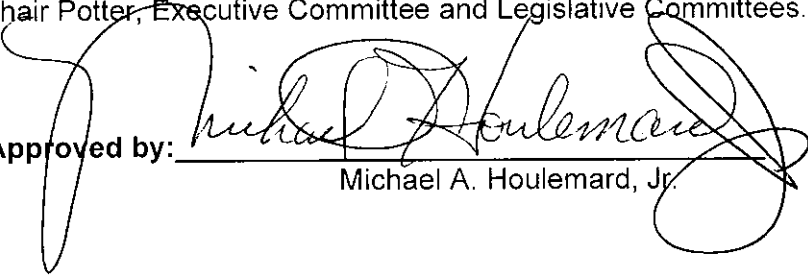
FISCAL IMPACT:

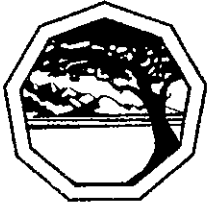
Reviewed by FORA Controller *M.F. for I.B.*

Travel expenses and staff time for this item are included in the approved FY 09-10 budget.

COORDINATION: Chair Rubio, 1st Vice Chair Potter, Executive Committee and Legislative Committees.

Prepared by: 
Daylene Alliman

Approved by: 
Michael A. Houlemard, Jr.



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May 20, 2010

Mr. Michael Freedberg
Director, Affordable Housing Technology Research
Office of Policy Development and Research
451 7th Street SW, Room 8132
Washington, DC 20410

**RE: Meeting on April 28, 2010 with the Fort Ord Reuse Authority (FORA)
2010 Federal Legislative Mission Team**

Dear Mr. Freedberg:

Thank you for taking the time to meet with me and the other FORA Legislative Mission members: Supervisor Dave Potter and Executive Officer Michael Houlemard to discuss Department of Housing of Housing and Community Development.

As you may be aware, FORA is in its 16th year of existence – scheduled for sunset June 30th 2014. We have significant and crucial obligations to meet - including the remaining property transfers, environmental remediation, habitat conservation, water resource production, affordable housing production to assure a jobs-housing balance, and several major project approvals. Your help in providing support for our affordable housing needs will mean a great deal to the citizens of our community.

Should any issues arise or opportunities that you suggest, please feel free to contact our Executive Officer, Michael Houlemard.

On behalf of FORA, please accept our gratitude for your time and assistance.

Yours truly,

A handwritten signature in black ink, appearing to read "Ralph Rubio".

Mayor Ralph Rubio, Chair

C: Board of Directors and Legislative Committee



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May 20, 2010

Mr. Patrick O'Brien
Executive Director
Office of Economic Adjustment (OEA)
Department of Defense
400 Army Navy Drive, Suite 200
Arlington, VA 22202-2884

**RE: Meeting on April 29, 2010 with the Fort Ord Reuse Authority (FORA) 2010
Federal Legislative Mission Team**

Dear Mr. O'Brien:

My thanks to you for taking the time from your schedule to meet with me and the other FORA Legislative Mission members: Supervisor Dave Potter and Executive Officer Michael Houlemard. Your ongoing support of our efforts to recapture the economic loss to our region from the closure of Fort Ord is more than appreciated.

As you may be aware FORA is in its 16th year of existence. Our sunset is scheduled for June 30th 2014 and we have crucial obligations to meet - including the remaining property transfers, environmental remediation, habitat conservation, water resource production and several major project approvals. Your help in providing support for our legacy base needs has truly meant a great deal to our citizens. We are especially thankful for the OEA planning and development grant that will speed the creation of the Central Coast Veterans' Cemetery on the former Fort Ord. That project not only benefits our reuse efforts but will serve our nation's veteran population for centuries into the future.

Should any issues arise that may need our attention, please feel free to contact our Executive Officer, Michael Houlemard.

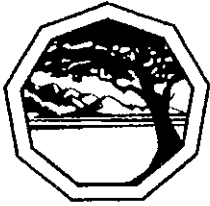
On behalf of FORA, please accept our gratitude for your time and your assistance.

Yours truly,

A handwritten signature in black ink, appearing to read "Ralph Rubio".

Mayor Ralph Rubio, Chair

C: Board of Directors and Legislative Committee



FORT ORD REUSE AUTHORITY

100 12TH STREET, BUILDING 2880, MARINA, CALIFORNIA 93933

PHONE: (831) 883-3672 - FAX: (831) 883-3675

WEBSITE: www.fora.org

May 20, 2010

Deputy Commissioner Bob Quint
U.S. Department of the Interior
Bureau of Reclamation
1849 "C" Street - Room 7648
Washington, DC 20240

**RE: Meeting on April 28, 2010 with the Fort Ord Reuse Authority (FORA) 2010
Federal Legislative Mission Team**

Dear Deputy Commissioner Quint:

Thank you for taking the time from your schedule to meet with me and Supervisor Dave Potter on April 28 in your office. Your support of our efforts to recapture the economic loss to our region from the closure of Fort Ord is more than appreciated.

As you may be aware FOR A is in its 16th year of existence. Our sunset is scheduled for June 30th 2014 and we have crucial obligations to meet - including the remaining property transfers, environmental remediation, habitat conservation, water resource production and several major project approvals. Your help in providing support for our legacy base needs has truly meant a great deal to our citizens. Our water supply/resource production planning is coming to a positive close and we look forward to sustaining the inertia we have developed from the coordination between our local water resource agencies, the CA Department of Water Resources, and the Bureau of Reclamation. Additional water resources are essential to our recovery efforts.

Should any issues arise that may need our attention, please feel free to contact FORA's Executive Officer, Michael Houlemard.

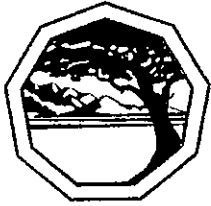
On behalf of FOR A, please accept our gratitude for your time and your assistance.

Yours truly,

A handwritten signature in black ink, appearing to read "Ralph Rubio".

Mayor Ralph Rubio, Chair

C: Board of Directors and Legislative Committee



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May 20, 2010

Ms. Shelley Poticha, Director
Office of Sustainable Housing Communities - HUD
451 7th Street, SW, Room 10180
Washington, DC 20410

**RE: Meeting on April 28, 2010 with the Fort Ord Reuse Authority (FOR A) 2010 Federal
Legislative Mission Team**

Dear Ms. Poticha:

Thank you for meeting with me and the other FORA Legislative Mission members: Supervisor Dave Potter and Executive Officer Michael Houlemard, to discuss Department of Housing and Community Development funding and program opportunities that may help our community redevelopment work. FORA adopted a landmark and American Planning Association award-winning Sustainable Base Reuse Plan in 1997 and we have been thwarted in our work to implement the sustainable principles in that plan during the recent economic downturn.

As you may be aware, FORA is in its 16th year of existence. Our sunset is scheduled for June 30th 2014 and we have crucial obligations to meet - including the remaining property transfers, environmental remediation, habitat conservation, water resource production and several major project approvals that lead to the comprehensive sustainable vision the region has for the former military installation. Your willingness to help in providing support for our legacy 45 square mile base has truly meant a great deal to the citizens of our community. Our sustainable reuse planning needs support in this implementation phase as we move ahead on water resource development, transit oriented developments, and a comprehensive program balancing jobs and housing. We particularly look forward to engaging in the Sustainable Communities Program and the emerging coordination between the Federal Agencies on this subject.

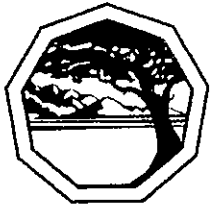
Should any issues arise that may need our attention, please feel free to contact FORA's Executive Officer, Michael Houlemard. As you know, Mr. Houlemard is the current President of the Association of Defense Communities and was heartened by the discussion about inter-agency coordination for sustainable development.

On behalf of FORA, please accept our gratitude for your time and your assistance.

Yours truly,

Mayor Ralph Rubio, Chair

C: Board of Directors and Legislative Committee



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May 20, 2010

Ms. Patricia Cole, Biologist
Endangered Species Program
Department of the Interior
4401 N. Fairfax, Room 420
Arlington, VA 22203

**RE: Meeting on April 28, 2010 with the Fort Ord Reuse Authority (FORA) 2010
Federal Legislative Mission Team**

Dear Ms. Cole:

My thanks to you for taking the time from your schedule to meet with me and the other FORA Legislative Mission members: Supervisor Dave Potter and Executive Officer Michael Houlemard.

As you may be aware FOR A is in its 16th year of existence. Our sunset is scheduled for June 30th 2014 and we have crucial obligations to meet - including the remaining property transfers, environmental remediation, habitat conservation, water resource production and several major project approvals. Your help in providing support for our legacy base needs has truly meant a great deal to our citizens. Our habitat conservation planning is coming to a positive close and we look forward to sustaining the inertia we have developed from the coordination between US FWS, CA Department of Fish and Game and FORA.

Should any issues arise that may need our attention, please feel free to contact FORA's Executive Officer, Michael Houlemard.

On behalf of FORA, please accept our gratitude for your time and your assistance.

Yours truly,

Mayor Ralph Rubio, Chair

C: Board of Directors and Legislative Committee

FORT ORD REUSE AUTHORITY BOARD REPORT
EXECUTIVE OFFICER'S REPORT

Subject: Finance Committee report	
Meeting Date: June 11, 2010 Agenda Number: 8c	INFORMATION

RECOMMENDATION:

Receive reports from the Finance Committee meetings of May 10 and May 17, 2010.

BACKGROUND/DISCUSSION:

The Finance Committee met on May 10 and May 17, 2010 to discuss the preliminary FY 10-11 budget and other items. At the latter meeting they made recommendations regarding the FORA Board's approval of the preliminary budget. Please refer to the attached minutes from those two meetings for details.

FISCAL IMPACT:

Staff time for this item is included in the approved FY 09-10 budget.

COORDINATION:

Finance Committee.

Prepared by Ivana Bednarik Approved by Michael A. Houlemard, Jr.



Fort Ord Reuse Authority

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Finance Committee Meeting

Monday, May 10, 2010 at 3 pm

Action Minutes

APPROVED

Present: Chair Sue McCloud, Members: Tom Mancini, Janet Barnes, Graham Bice, Ken Gray, Hunter Harvath
Staff: Ivana Bednarik, Steve Endsley, Marcela Fridrich

AGENDA

The Finance Committee (FC) discussed the following agenda items:

- 1. Roll Call:**
A quorum was achieved at 3:00 PM. Member Bice joined meeting in progress at 3:05 PM, Member Harvath at 3:10 PM and Member Barnes at 3:20 PM.
- 2. January 25, 2010 Minutes:**
Approved. (Motion McCloud, Second Mancini.) Passed 3-0.
Chair McCloud asked Steve Endsley to provide an update on creating the endowment fund. Steve Endsley explained that staff is conducting informational interviews and drafting an RFP.
- 3. FY 10-11 FORA Preliminary Budget:**
FC Members received the FY 10-11 draft preliminary budget prepared by Ivana Bednarik and forwarded prior to the meeting. She explained the carryover beginning fund balance and noted the changes in certain categories. Chair McCloud asked for a further clarification of this item, especially the balance in Preston Park loan proceeds. Ivana Bednarik suggested preparing a separate chart, FC concurred. FC members commented on various revenue and expenditure items. Member Gray asked staff to include the FY 09-10 salaries and benefits breakdown in the itemized expenditure chart. FC members commented on the salary/benefits proposal. They asked staff to remove notes explaining proposed salary adjustments on the itemized expenditures sheet and add details about step increases/reclassifications on the salary and benefits sheet. FC members addressed the role of the FC, recognizing the preliminary budget is balanced and funds are available to cover potential increases. Due to the economic crisis of state and local government, FC members did not feel comfortable with proposed salary/benefits increases. However, several members supported funding the health insurance increase. FC members decided to continue discussion to the next FC meeting and asked staff to respond to the questions raised by committee members. FC noted the limits of the Committee charge but felt it is important to review these items for continuity with the budget.
- 4. FORA Bank Accounts:**
FC members received a summary of current deposits with First National Bank and Rabobank prior to the meeting. Ivana Bednarik pointed out operational needs for reallocation of funds, including collateralization requirements and investment returns. FC members agreed to the staff proposal. (Motion Gray, Second Bice.) Passed 6-0.
- 5. Next Meeting Date:**
The FC members agreed to meet on Monday, May 17 at 3:30 PM.
- 6. Adjournment:**
The meeting adjourned at 4:45 PM.

Minutes prepared by Marcela Fridrich, Accounting Officer.



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Finance Committee Meeting
Monday, May 17, 2010 at 3:30 pm
Action Minutes – DRAFT

DRAFT

Present: Chair Sue McCloud, Members: Tom Mancini, Graham Bice, Ken Gray, Hunter Harvath
Absent: Janet Barnes - excused
Staff: Michael A. Houlemard, Jr., Ivana Bednarik

AGENDA

The Finance Committee (FC) discussed the following agenda items:

1. Roll Call:

A quorum was achieved at 3:30 PM. Member Harvath joined meeting in progress at 3:35 PM.

2. May 10, 2010 Minutes:

Approved. (Motion Bice, Second Mancini.) Passed 4-0.

3. FY 10-11 FORA Preliminary Budget:

This item continued from May 10. At the May 10 meeting, the FC Members requested changes/clarifications of certain budget items and/or categories as well as more detail information regarding the proposed adjustments in Salaries and Benefits. They received the adjusted FY 10-11 draft preliminary budget prior to the meeting. Ivana Bednarik reviewed the adjustments made and introduced a new chart depicting the Preston Park Loan funds. FC suggested a title change for one of the loan categories and agreed to attach this page with the preliminary budget. FC also discussed the difference between the projected carryover balance at mid-year and in the preliminary budget. Ms Bednarik explained that this is contributed to construction projects timing and receiving the Preston Park loan after the mid-year budget adoption. The FC suggested adding a third column to the main budget page showing the actual current FY balances projected to June 30 to provide more realistic comparison of the current year budget and upcoming budget.

Michael Houlemard presented the proposed adjustments in Salaries and benefits which include: (1) a) Resuming salary step increases, b) adjusting compensation for three employees, and c) temporary appointing the Director of Planning and Finance to acting Assistant Executive officer; (2) catching up with health insurance premium increase; and (3) 1% to 2.5% COLA adjustment to staff salaries. He provided reasoning for these proposed adjustments pointing out that FORA's projects and services have increased since the reduction in staff and that FORA's budget is balanced. FC members discussed again the role of the FC in regards to personnel actions, recognizing the preliminary budget is balanced and funds are available to cover potential increases. FC discussed each proposed salary/benefit item separately and unanimously decided to support the proposed item #1. Due to the economic crisis of state and local government, FC members did not feel comfortable to support items #2 and #3. The FC members decided to write a memo to the FORA Executive Committee to memorialize their recommendation regarding Salaries and benefits. FC unanimously decided to recommend to the Executive Committee and FORA Board adoption of the preliminary FY 10-11 budget with the requested presentation changes. Approved. (Motion Mancini, Second Gray.) Passed 5-0.

4. Next Meeting Date:

The next FC meeting is scheduled for October 25, 2010 at 3:30 PM.

5. Adjournment:

The meeting adjourned at 4:45 PM.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Status of outstanding receivables	
Meeting Date:	June 11, 2010	INFORMATION
Agenda Number:	8d	

RECOMMENDATIONS:

Receive a report regarding outstanding receivables.

BACKGROUND/DISCUSSION:

This is an update regarding Fort Ord Reuse Authority (FORA) outstanding receivables as of May 31, 2010.

Del Rey Oaks (DRO) annual Pollution Legal Liability (PLL) loan payments

DRO owes FORA \$182,874 for the 09-10 insurance premium. In 2009, DRO lost its developer who previously financed these annual premiums. To prevent losing the PLL coverage, DRO submitted payment for the remaining 08-09 premium and signed an agreement to pay the 09-10 premium in equal monthly payments through June 2010. After making the first two payments, DRO informed FORA staff that the City has no funds to continue making payments.

- ❖ The City is working to find the next suitable developer for its Fort Ord Property and anticipates that a new developer will make good on outstanding obligations to FORA for the PLL Premium. The Executive Committee discussed this item at their May 5 and June 2 meetings and directed staff to inform DRO that they must submit a reasonable payment plan or pay the premium before June 30, 2010 or they will lose the insurance. Should DRO fail to provide the payment plan or payment, staff will recommend removing the PLL coverage from DRO for non-payment of premium to the FORA Board in July 2010.


FISCAL IMPACT:

A negative impact on FORA's net revenues as FORA expends general fund resources until these receivables are collected.

COORDINATION:

Executive Committee.

Prepared by


Ivana Bednarik

Approved by


Michael A. Houlemard, Jr.