

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./Eucalptus 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

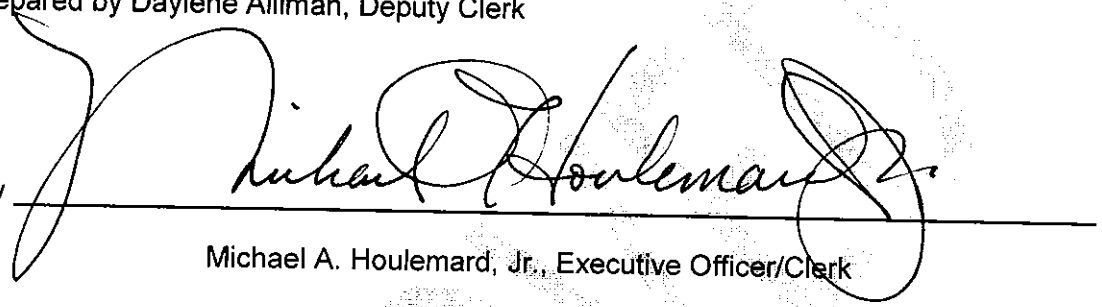
There was no discussion about the three items in the Executive Officer's Report (Item 8a – Administrative Committee report; Item 8b – Executive Officer's travel report; and Item 8c – Finance Committee report and 8d – Status of outstanding receivables), and they stood as information items.

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