



# FORT ORD REUSE AUTHORITY

## REGULAR MEETING

### FORT ORD REUSE AUTHORITY (FORA) BOARD OF DIRECTORS

Friday, February 9, 2018 at 2:00 p.m. | 910 2<sup>nd</sup> Avenue, Marina, CA 93933 (Carpenters Union Hall)

### AMENDED AGENDA

**ALL ARE ENCOURAGED TO SUBMIT QUESTIONS/CONCERNS BY NOON FEBRUARY 8, 2018.**

#### 1. CALL TO ORDER

#### 2. PLEDGE OF ALLEGIANCE *(If able, please stand)*

#### 3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

#### 4. CLOSED SESSION

- a. Conference with Legal Counsel – Gov. Code 54956.9(d)(2) one matter of significant exposure to litigation. Claimant: Marina Community Partners
- b. Conference with Legal Counsel – Gov. Code 54956.9(a): Keep Fort Ord Wild v. Fort Ord Reuse Authority, Monterey County Superior Court, Case No.:17CV004540
- c. Public Employment, Gov. Code 54959.7(b) – Executive Officer Evaluation

#### 5. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

#### 6. ROLL CALL

*FORA is governed by 13 voting members: (a) 1 member appointed by the City of Carmel; (b) 1 member appointed by the City of Del Rey Oaks; (c) 2 members appointed by the City of Marina; (d) 1 member appointed by Sand City; (e) 1 member appointed by the City of Monterey; (f) 1 member appointed by the City of Pacific Grove; (g) 1 member appointed by the City of Salinas; (h) 2 members appointed by the City of Seaside; and (i) 3 members appointed by Monterey County. The Board also includes 12 ex-officio non-voting members.*

#### 7. CONSENT AGENDA

#### INFORMATION/ACTION

*CONSENT AGENDA consists of routine information or action items accompanied by staff recommendation. Information has been provided to the FORA Board on all Consent Agenda matters. The Consent Agenda items are normally approved by one motion unless a Board member or the public request discussion or a separate vote. Prior to a motion, any member of the public or the Board may ask a question or make comment about an agenda item and staff will provide a response. If discussion is requested, that item will be removed from the Consent Agenda and be considered separately at the end of the Consent Agenda.*

- a. Approve January 12, 2018 Meeting Minutes (p. 1)  
**Recommendation:** Approve January 12, 2018 meeting minutes.
- b. Administrative Committee (p. 5)  
**Recommendation:** Receive a report from the Administrative Committee.
- c. Veterans Issues Advisory (p. 11)  
**Recommendation:** Receive an update from the Veterans Issues Advisory Committee.
- d. Water/Wastewater Oversight Committee Update (p. 12)  
**Recommendation:** Receive an update from the Water/Wastewater Oversight Committee.
- e. Adopt Workers' Compensation Resolution for Governing Body Member and/ or Volunteer Workers Compensation Coverage (p. 15)  
**Recommendation:** Adopt Resolution No. 18-XX titled "Resolution of the Governing Body of the Fort Ord Reuse Authority, declaring that governing body members and volunteers shall be deemed to be employees of the district for the purpose of providing workers' compensation coverage for said certain individuals while providing their services" updating Fort Ord Reuse Authority's (FORA) Special District Risk Management Authority Workers' Compensation Policy.
- f. Public Correspondence to the Board (p. 17)

## 8. BUSINESS ITEMS

## INFORMATION/ACTION

*BUSINESS ITEMS are for Board discussion, debate, direction to staff, and/or action. Comments from the public are **not to exceed 3 minutes** or as otherwise determined by the Chair.*

- a. 2018 Election of Board Officers (Continued from January 12, 2018 Board meeting) (p. 18)

**Recommendation:**

1. Receive report from the 2018 Nominating Committee.
2. Approve Nominating Committee's proposed slate or alternatively seek Board/public nominations, and the Executive Officer will conduct an election.
3. Provide direction as to possible adjustments to the selection process.

- b. Transition Planning Update (p. 21)

**Recommendation:**

- i. Receive update on January transition planning issues
- ii. Receive Transition Plan Summary Charts for Administration and Environmental Services Cooperative Agreement

- c. Eastside Parkway Goals and Objectives (p. 34)

**Recommendation:**

- i. Receive an Eastside Parkway Goals and Objectives Update from January 12, 2018
- ii. Receive a Transportation Agency for Monterey County (TAMC) Presentation
- iii. Discuss and consider approval of Eastside Parkway Goals and Objectives for use in future preparation of an Environmental Impact Report in compliance with the California Environmental Quality Act.

- d. Fiscal Year 2017-2018 Mid-Year Budget/Section 115 Trust (p. 35)

**Recommendation:**

- i. Approve FY 2017-2018 Mid-Year Budget  
Authorize participation in the Public Agencies Post – Employment Benefits Section 115 Trust Program (Section 115 Trust) administered by Public Agency Retirement Services ("PARS") to pre-fund Pension and Other Post-Employment Benefits (OPEB) and authorize the Executive Officer to execute associated contract documents.

## 9. PUBLIC COMMENT PERIOD

## INFORMATION

*Members of the public wishing to address the Board on matters within its jurisdiction, but **not on this agenda**, may do so for up to 3 minutes or as otherwise determined by the Chair and will not receive Board action. Whenever possible, written correspondence should be submitted to the Board in advance of the meeting, to provide adequate time for its consideration.*

## 10. ITEMS FROM MEMBERS

## INFORMATION

*Receive communication from Board members as it pertains to future agenda items.*

## 11. ADJOURNMENT

**NEXT REGULAR MEETING: March 9, 2018 AT 2:00 P.M.**

Persons seeking disability related accommodations should contact FORA 48 hours prior to the meeting. This meeting is recorded by Access Monterey Peninsula and televised Sundays at 9 a.m. and 1 p.m. on Marina/Peninsula Channel 25. The video and meeting materials are available online at [www.fora.org](http://www.fora.org).



**FORT ORD REUSE AUTHORITY**  
**BOARD OF DIRECTORS REGULAR MEETING MINUTES**  
**2:00p.m., Friday, January 12, 2018 | Carpenters Union Hall**  
910 2<sup>nd</sup> Avenue, Marina, CA 93933

**1. CALL TO ORDER**

Chair Rubio called the meeting to order at 2:00 p.m.

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Monterey County Supervisor Luis Alejo.

**3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE**

Executive Officer Michael Houlemard announced the invitation to bid for Surplus II for Hazardous Material Removal and building Removal. The proposal deadline is 3:15 p.m. PST on January 29 and January 30, 2018 respectively.

**4. CLOSED SESSION**

- a. Conference with Legal Counsel – Gov. Code 54956.9(d)(2) one matter of significant exposure to litigation. Claimant: Marina Community Partners
- b. Conference with Legal Counsel – Gov. Code 54956.9(a): Keep Fort Ord Wild v. Fort Ord Reuse Authority, Monterey County Superior Court, Case No.:M114961
- c. Conference with Legal Counsel – Gov. Code 54956.9(a): Keep Fort Ord Wild v. Fort Ord Reuse Authority, Monterey County Superior Court, Case No.:17CV004540
- d. Conference with Legal Counsel – Gov. Code section 54956.9, 1 matter of significant litigation exposure.

Time entered: 2:02 p.m.

Time exited: 2:37 p.m.

**5. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION**

Authority Counsel, Jon Giffen reported no action to report.

**6. ROLL CALL**

**Voting Members Present:**

Supervisor Jane Parker (Monterey County), Supervisor Luis Alejo (Monterey County), Mayor Jerry Edelen (City of Del Rey Oaks), Councilmember Frank O'Connell (City of Marina), Councilmember Gail Morton (City of Marina), Councilmember Alan Haffa (City of Monterey),

Mayor Ralph Rubio (City of Seaside), Mayor Pro Tem Dennis Alexander (City of Seaside), Mayor Mary Ann Carbone (City of Sand City), Mayor Joe Gunter (City of Salinas), Councilmember Cynthia Garfield (City of Pacific Grove), Councilmember Jan Reimers (City of Carmel-by-the-Sea)

**Ex-officio (Non-Voting) Board Members Present:**

Congressman Jimmy Panetta (20<sup>th</sup> Congressional District) arrived at 3:23 p.m., Senator Bill Monning replaced Nicole Hollingsworth (17<sup>th</sup> State Senate District) at 2:46 p.m., Steve Matarazzo (University of California Santa Cruz), President, Dr. Eduardo Ochoa (California State University Monterey Bay), Andre Lewis (California State University Monterey Bay) served as alternate starting at 3:45 p.m., Col. Lawrence Brown (United States Army), Lisa Rheinheimer (Monterey Salinas Transit), Dr. PK Diffenbaugh (Monterey Peninsula Unified School District), Bill Collins (Base Realignment and Closure), Dr. Walter Tribley (Monterey Peninsula College), Dr. Thomas Moore (Marina Coast Water District), Debbie Hale (Transportation Agency of Monterey County)

**7. CONSENT AGENDA**

- a. Approve December 8, 2017 Meeting Minutes
- b. Water/Wastewater Oversight Committee Update
- c. Environmental Services Cooperative Agreement Quarterly Report Update
- d. Public Correspondence to the Board

Chair Rubio introduced the consent agenda items and asked Board members to make their request for any items to be pulled. Board member Haffa requested clarification on item 7b. Assistant Executive Officer Steve Endsley responded to the inquiry. Board member Morton requested clarification on item 7c. Mr. Houlemard and ESCA Program Manager Stan Cook responded to the inquiries.

There were no comments from the public.

**MOTION:** On motion by Board member Gunter and second by Board member Edelen and carried by the following vote, the Board moved to approve the consent agenda.

**MOTION PASSED UNANIMOUSLY**

**8. BUSINESS ITEMS**

- a. Transition Planning Update

Senator Bill Monning (17<sup>th</sup> State Senate District) arrived at 2:46 p.m. Chair Rubio recognized Senator Monning and thanked him for his attendance.

Mr. Houlemard introduced the item and Prevailing Wage/Risk Coordinator Sheri Damon presented the item. Comments were received from Sen. Monning.

Debbie Hale (TAMC) arrived at 3:00 p.m. and Congressman Jimmy Panetta (20<sup>th</sup> Congressional District) arrived at 3:23 p.m. Chair Rubio recognized Congressman Panetta and thanked him for his attendance. Comments were received from Congressman Panetta.

Sen. Monning responded to questions and comments from the Board. The Board also provided general comments on the item. Public comment was received. The Board discussed the details of the motion, Chair Rubio called the question on the item after a friendly amendment to the motion was made by Board member Morton.

**MOTION:** On motion by Board member Edelen and second by Board member Alejo and carried by the following vote, the Board moved to prepare a “side-by-side” contrasting comparison of continuing of FORA and the FORA Act (with modifications – ie. Membership and scope), versus the dissolution/sunset of FORA, (to include the responsibilities broken down by region, organizations and land use jurisdictions); [friendly amendment from Board member Morton – and accepted] and reconvene a transition task force ad-hoc committee with reports to the Board as often as needed to obtain Board direction.

**MOTION PASSED UNANIMOUSLY**

b. General Engineering Services

Project Manager Peter Said presented the item. Staff responded to questions and comments from the Board. Board member Parker requested photos of the damage to the road be provided before the next Board meeting. Public comment was received.

**MOTION:** On motion by Board member Alexander and second by Board member Gunter and carried by the following vote, the Board moved to approve Harris and Associates Service Work Order: H3 (SWO-H3) Eucalyptus Road infiltrator review and repair engineering and support services not to exceed \$160,235.

**MOTION PASSED UNANIMOUSLY**

c. Capital Improvement Program Munitions Response Coordination

Mr. Said presented the item. Staff responded to questions and comments from the Board. There were no comments from the public.

**MOTION:** On motion by Board member Carbone and second by Board member Edelen and carried by the following vote, the Board moved to approve an on-call professional services contract with Reimer Associates Consulting for Munitions Response Coordination for an amount not to exceed \$315,787.

**MOTION PASSED UNANIMOUSLY**

d. Eastside Parkway Goals and Objectives

Mr. Houlemard introduced the item correcting certain misperceptions and outlining the Board’s task and requested Principal Planner Jonathan Brinkmann to present the item.

Chair Rubio acknowledged the time as 5:00 p.m. and indicated that although there was not a motion needed to continue the meeting since the item had begun, he was going to be considerate of everyone’s time. Chair Rubio asked for public comment first and designated a time of 2 minutes per speaker. Public comment was received.

Staff responded to questions and comments from the Board. A motion was proposed to approve the item, there was not a second on the motion. Point of order was called as Board members still had questions for staff. Staff responded to the remaining questions and comments from the Board. Authority Counsel confirmed that a majority vote was needed to continue the item to a special meeting.

**MOTION:** On motion by Board member Parker and second by Board member Morton and carried by the following vote, the Board moved to continue the discussion of the Eastside Parkway goal and objectives, receive further comments and questions from the Board in advance, receive a presentation from TAMC and schedule a special meeting for the item prior to the February meeting.

Ayes: Parker, Alejo, O'Connell, Morton, Haffa, Rubio, Alexander, Carbone, Gunter, Garfield, Reimers

Noes: Edelen

**MOTION PASSED**

**MOTION:** On motion by Board member Parker and second by Board member Morton and carried by the following vote, the Board moved to continue the meeting for 10 minutes starting at 6:32 p.m.

- e. Marina Coast Water District's Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation

Assistant Executive Officer Steve Endsley presented the item and responded to questions and comments from the Board.

**MOTION:** On motion by Board member Gunter and second by Board member Haffa and carried by the following vote, the Board moved to approve that staff submit amended comments to Marina Coast Water District with copies to the Local Agency Formation Commission and environmental consultants.

- f. Elect 2018 Board Officers

Continued to the February 9, 2018 regular Board meeting.

**9. PUBLIC COMMENT**

There were no comments from the public.

**10. ITEMS FROM MEMBERS**

There were no items from members.

**11. ADJOURNMENT at 6:38 p.m.**

Minutes Prepared by:  
Dominique L. Jones  
Deputy Clerk

Approved by: \_\_\_\_\_  
Michael A. Houlemard, Jr.  
Executive Officer

# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

**Subject:** Administrative Committee

**Meeting Date:** February 9, 2018

**Agenda Number:** 7b

**INFORMATION/ACTION**

### RECOMMENDATION:

Receive a report from the Administrative Committee.

### BACKGROUND/DISCUSSION:

The Administrative Committee met on December 13, 2017, January 3 and January 17, 2018. The approved minutes for these meetings are attached (**Attachment A, Attachment B & Attachment C**).

### FISCAL IMPACT:

Reviewed by the FORA Controller 

Staff time for the Administrative Committee is included in the approved annual budget.

### COORDINATION:

Administrative Committee

Prepared by   
Dominique L. Jones

Approved by   
Michael A. Houlemard, Jr.



**FORT ORD REUSE AUTHORITY**  
**ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES**  
**8:30 a.m., Wednesday, December 13, 2017 | FORA Conference Room**  
920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

**1. CALL TO ORDER**

Co-Chair Executive Officer Michael Houlemard called the meeting to order at 8:30 a.m.

The following members were present:

Craig Malin\* (City of Seaside)  
Dino Pick\* (City of Del Rey Oaks)  
Melanie Beretti\* (County of Monterey)  
Layne Long\* (City of Marina)  
Michelle Overmeyer (MST)  
Patrick Breen (MCWD)  
Anya Spear (CSUMB)

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by City of Marina Council Member Gail Morton.

**3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

There were no acknowledgements, announcements or correspondence presented from staff, committee or the public.

**4. PUBLIC COMMENT PERIOD**

*Members of the public wishing to address the Administrative Committee on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes.*

Public comments were received. Inquiries were made about the status the workshop on Eastside Parkway held on December 6, 2017. Staff informed the Committee and the public that would be available on our website at [www.fora.org](http://www.fora.org) as soon as possible.

**5. APPROVAL OF MEETING MINUTES**

**ACTION**

a. November 8, 2017 Regular Meeting Minutes

*MOTION: On motion by Committee member Pick and second by Committee member Long and carried by the following vote, the Administrative Committee moved to approve the regular meeting minutes of November 8, 2017.*

**MOTION PASSED UNANIMOUSLY**

**6. DECEMBER 8, 2017 BOARD MEETING FOLLOW UP**

**INFORMATION**

Jonathan Brinkman provided the Committee and public with an overview of the Board meeting from December 8, 2017. Board member Gail Morton had questions on the Prevailing Wage Report, Mr. Houlemard and staff addressed questions and concerns.

**7. BUSINESS ITEMS**

a. 2018 Environmental Service Cooperation Agreement Land Use Control Implementation Plan/ Operation and Maintenance Plan Information Workshops  
Environmental Services Cooperative Agreement (ESCA) Program Manager Stan Cook announced training workshops covering Land Use Controls, Operations and Maintenance, and Property transfers. The training classes will be split into groups of four different modules,



to be held after the Administrative Committee meeting in February, April, June and July. These dates are subject to change. ESCA Program Coordinator Laura Vidaurri announced she is working on a distribution list for those interested and Jurisdictions that would like to attend the workshops. Staff responded to questions from the Committee and public. This item was for information only.

b. Capital Improvement Program – Development Forecast Request

Principal Planner Jonathan Brinkman announced the due date of the annual request for Development Forecast which begins the FORA Capital Improvement Program planning process. Mr. Brinkman reviewed the 2017 forecast and explained the different tables. Project Manager Peter Said explained the Land Sales Forecast and how it is comprised. Mr. Said requested the Jurisdictions note which parcels are being lumped together for sale, in addition the probability of sales per year. Staff responded to questions from the committee. Public comment was received. This item was for information only.

**8. ITEMS FROM MEMBERS**

There were no items from members

**9. ADJOURNMENT** at 9:38 a.m.



APPROVED

**FORT ORD REUSE AUTHORITY**  
**ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES**  
**8:30 a.m., Wednesday, January 3, 2018 | FORA Conference Room**  
**920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933**

**1. CALL TO ORDER**

Co-Chair City of Seaside City Manager Craig Malin called the meeting to order at 8:30 a.m.

The following members were present:

- |                                       |                          |
|---------------------------------------|--------------------------|
| Craig Malin* (City of Seaside)        | Steve Matarazzo (UCSC)   |
| Dino Pick* (City of Del Rey Oaks)     | Lisa Rheinheimer (MST)   |
| Melanie Beretti* (County of Monterey) | Matthew McCluney (CSUMB) |
| Layne Long* (City of Marina)          | Todd Bodem* (Sand City)  |
| Elizabeth Caraker* (City of Monterey) |                          |

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by City of Seaside City Manager, Craig Malin.

**3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

Environmental Services Cooperative Agreement Program Manager Stan Cook announced that (ESCA) Land Use Control will be holding training workshops covering Land Use Controls, Operations and Maintenance, and Property transfers. The training workshops will be split into groups of the different Land Use Jurisdictions, with the first in February being for everyone providing the overall history. ESCA expects to meet with MPC/CSUMB in February, Del Rey Oaks, Monterey in April, Seaside in June, and Monterey County in July, noting these are subject to change.

Principal Planner Jonathan Brinkman announced notices were sent to the Jurisdictions requesting their development forecast in order to start the Capital Improvement Program process. They were also asked to include any projects that are entitled or planned, along with the land sales forecast.

**4. PUBLIC COMMENT PERIOD**

*Members of the public wishing to address the Administrative Committee on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes.*

There were no comments received from the public.

**5. January 12, 2018 DRAFT BOARD MEETING AGENDA REVIEW INFORMATION**

Executive Officer Michael Houlemard reviewed the items on the January 12, 2018 Board meeting agenda. There were no questions or comments from the Committee or public.

**6. ITEMS FROM MEMBERS**

There were no items received from members.

**7. ADJOURNMENT at 8:47 a.m.**

Minutes Prepared By:  
Heidi Lizarbe

Approved by:   
Michael A. Houlemard, Jr.



**APPROVED**

**FORT ORD REUSE AUTHORITY**  
**ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES**  
**8:30 a.m., Wednesday, January 17, 2018 | FORA Conference Room**  
920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

**1. CALL TO ORDER**

Co-Chair Executive Officer Michael Houlemard called the meeting to order at 8:30 a.m.

The following members were present:

- |                                       |                         |
|---------------------------------------|-------------------------|
| Craig Malin* (City of Seaside)        | Steve Matarazzo (UCSC)  |
| Dino Pick* (City of Del Rey Oaks)     | Lisa Rheinheimer (MST)  |
| Melanie Beretti* (County of Monterey) | Todd Bodem* (Sand City) |
| Layne Long* (City of Marina)          | Mike Zeller (TAMC)      |
| Hans Uslar* (City of Monterey)        | Bill Collins (US Army)  |
| Vicki Nakamura (MPC)                  |                         |

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Steve Matarazzo.

**3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

Environmental Services Cooperative Agreement Senior Program Manager Stan Cook announced a Land Use Control Implementation Plan training seminar on February 16, 2018 at Carpenter's Union Hall in Marina.

**4. PUBLIC COMMENT PERIOD**

*Members of the public wishing to address the Administrative Committee on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes.*

There were no comments received from the public.

**5. APPROVAL OF MEETING MINUTES**

**ACTION**

- a. January 3, 2018 Meeting Minutes

MOTION: On motion by Committee member Pick and second by Committee member Beretti and carried by the following vote, the Administrative Committee moved to approve the January 17, 2018 meeting minutes.

**6. January 12, 2018 BOARD MEETING FOLLOW-UP**

**INFORMATION**

FORA staff provided an overview of the Board meeting items and action taken by the Board. The possibility for a Special Board meeting to be scheduled was also discussed. Public comment was received.

**7. BUSINESS ITEMS**

**INFORMATION/ACTION**

- a. Wage Rate Determination Discussion

Principal Analyst Robert Norris provided a presentation and responded to questions and comments from the Committee and public. Public comment was received. This item was for information only, there was no action taken on the item.

b. Capital Improvement Program – Development Forecast Request

Principal Planner Jonathan Brinkmann advised the Committee that the due date for the development forecast request has passed. Mr. Brinkmann reminded all the jurisdictions of the importance of submitting the paperwork in a timely manner. Public comment was received. This item was for information only, there was no action taken on the item.

**8. ITEMS FROM MEMBERS**


Mr. Houlemard advised the committee of Senate Bill No. 50 that became effective on January 1, 2018. The Committee was encouraged to read more about the bill as it in regards to the conveyances of federal public lands in California. SB 50 can be read in full here:

[https://leginfo.ca.gov/faces/billTextClient.xhtml?bill\\_id=201720180SB50](https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB50)

**9. ADJOURNMENT** at 9:49 a.m.

Minutes Prepared By:  
Dominique Jones  
Deputy Clerk

Approved by: \_\_\_\_\_

  
Michael A. Houlemard, Jr.  
Executive Officer

**FORT ORD REUSE AUTHORITY BOARD REPORT**  
**CONSENT AGENDA**

**Subject:** Veterans Issues Advisory Committee

**Meeting Date:** February 9, 2018

**Agenda Number:** 7c

**INFORMATION/ACTION**

**RECOMMENDATION:**

Receive an update from the Veterans Issues Advisory Committee (VIAC).

**BACKGROUND/DISCUSSION:**

The Veterans Issues Advisory Committee met on January 25, 2018.

At this meeting, the VIAC received a status report of the California Central Coast Veterans Cemetery indicating more than 2,270 veteran applications and 1,693 dependent applications were received last year and more that 710 inurnment services were held. CCVC fundraising efforts reflected the most successful effort todote, and reports on the status of the Veterans Transition Center Housing construction and veteran employment eprograms, VA-DOD clinic and the Historical Preservation Projects. The next VIAC meeting is scheduled to be held on February 22, 2018.

**FISCAL IMPACT:**

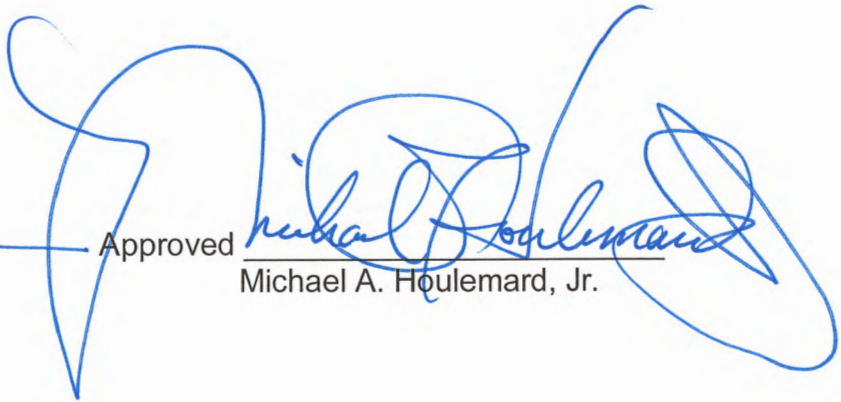
Reviewed by FORA Controller 

Staff time for this item is included in the approved annual budget.

**COORDINATION:**

VIAC

Prepared by   
Dominique L. Jones

Approved   
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT		
CONSENT AGENDA		
<b>Subject:</b>	Water/Wastewater Oversight Committee	
<b>Meeting Date:</b>	February 9, 2018	<b>INFORMATION/ACTION</b>
<b>Agenda Number:</b>	7d	

**RECOMMENDATION:**

Receive an update from the Water/Wastewater Oversight Committee (WWOC).


**BACKGROUND/DISCUSSION:**

The WWOC met on January 17, 2018. The minutes approved at this meeting are provided as (**Attachment A**). The WWOC received an update of the FORA Board response to Marina Coast Water District's (MCWD's) Initial Study, Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation.

The status of MCWD and California State University Monterey Bay (CSUMB) Regional Urban Water Augmentation Project (RUWAP) easement was discussed, with MCWD General Manager Keith Van Der Matten and CSUMB Director of Energy and Utilities Mike Lerch providing rationale for the current impasse. Executive Officer Michael Houlemard and Assistant Executive Officer Steve Endsley offered to assist the parties to reach agreement.

Lastly, MCWD provided an update on the progress of MCWD's 2018 Future Rate Study. The study informs the 218 rate-setting process. A question of legality was addressed by Mr. Van Der Matten explaining the reasons for considering a two-tier system instead of a three-tier system, emphasizing the grouping method (tiered system or customer classification) must be supported by the real cost of service. MCWD cannot arbitrarily move costs around in the tiers by creating customer classifications. The tiering system contemplated by MCWD is consistent with that used around the state and does not give arbitrary advantage to Business or other classes of user.

**FISCAL IMPACT:**

Reviewed by FORA Controller 

Staff time for this item is included in the approved FORA budget.

**COORDINATION:**

WWDC, Marina Coast Water District

Prepared by  Peter Said

Reviewed by  Steve Endsley

Approved by  Michael A. Houlemard, Jr.



**FORT ORD REUSE AUTHORITY  
WATER/WASTEWATER OVERSIGHT COMMITTEE  
MEETING MINUTES**

920 2<sup>nd</sup> Avenue, Suite A, Marina CA 93933 | FORA CIC  
9:30 a.m., Wednesday, January 3, 2018

**1. CALL TO ORDER**

Peter Said called the meeting to order at 9:33 a.m.

The following were present:  
AR = After Roll Call

**Committee Members:**

Rick Riedl, City of Seaside (AR)  
Brian McMinn, City of Marina  
Dino Pick, City of Del Rey Oaks  
Melanie Beretti, County of Monterey  
Mike Lerch, CSUMB  
Steve Matarazzo, UCSC

**Other Attendees:**

Mike Wegley, MCWD  
Kelly Cadiente, MCWD  
Sean Kranyak, MPP  
Pierce Rossum, Carollo Engineers

**FORA Staff:**

Steve Endsley  
Peter Said  
Ikuyo Yoneda-Lopez

**2. PLEDGE OF ALLEGIANCE** led by Melanie Beretti

**3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE**

Peter Said announced the deadline of January 19, 2018 for comments on MCWD's Draft Initial Study/Negative Declaration (IS/ND) for the Ord Community Sphere of Influence Amendment and Annexation. Handout regarding announcement provided at meeting.

**4. PUBLIC COMMENT PERIOD**

**5. APPROVAL OF MEETING MINUTES**

a. **MOTION:** Dino Pick moved to approve the December 13, 2017 Water/Wastewater Oversight Committee (WWOC) minutes. Seconded by Brian McMinn.

**MOTION PASSED: UNANIMOUSLY**

**6. BUSINESS ITEMS**

a. Set 2018 WWOC Calendar

ACTION

Mr. Peter Said provided the proposed calendar and highlighted additional meetings added in February, April, and May to facilitate rate setting, the master plan, and the approval of the budget.

**MOTION:** Brian McMinn moved to approve the 2018 WWOC meeting calendar with addition of MCWD service area annexation initial study and negative declaration on agenda for January 17<sup>th</sup> meeting. Seconded by Dino Pick.

**MOTION PASSED: UNANIMOUSLY**

**b. MCWD CIP**

INFORMATION/ACTION

i. Recommendation: Consider recommending the adjusted 5-year CIP to MCWD for use in the 2018 rate study.

Mike Wegley, MCWD District Engineer, presented adjusted future use assumptions, map, and calendar for Master Plan review by the WWOC. Also included was the cost breakdown for each CIP project, the percentage covered by rates and percentage covered by capacity. Mr. Wegley responded to comments and questions from the Committee.

**MOTION:** Brian McMinn moved to recommend the adjusted 5-year CIP to MCWD for use in the 2018 Rate Study, with the adjustment to CIP project numbers OW-0201 and OW-0230. Seconded by Melanie Beretti.

**MOTION PASSED: UNANIMOUSLY**

**c. MCWD Rate Study Workshop with WWOC**

INFORMATION/ACTION

i. Recommendation: Consider recommending balanced rate approach to MCWD Board.

ii. Recommendation: Consider recommending to MCWD a 2-tier structure for future rates.

The WWOC received a report on the Rate Study from Pearce Rossum of Carollo Engineers. Topics discussed were: 1) a potential move to a two-tier water system, 2) the challenges of instituting customer classes, 3) questions of equity between residential, commercial, and institutional classes, 4) uniform rates, and 5) various data interpretation methods. Generally, the Committee was satisfied with the rigor and approach, but was not ready to make a recommendation to support any particular direction.

**7. ITEMS FROM MCWD**

None.

**8. ITEMS FROM MEMBERS**

**a.** Due to length of meeting, Chair Riedl suggested that Business Items 6d and 6e be carried over to the January 17, 2018 meeting.

**MOTION:** Steve Matarazzo moved to carry over Business Items 6d and 6e to January 17, 2018 meeting. Seconded by Brian McMinn.

**MOTION PASSED: UNANIMOUSLY**

**9. ADJOURNMENT**

Chair Riedl adjourned the meeting at 12:00 P.M.

**NEXT MEETING: January 17, 2018**



FORT ORD REUSE AUTHORITY BOARD REPORT		
CONSENT AGENDA		
<b>Subject:</b>	Adopt Workers' Compensation Resolution for Governing Body Member and/ or Volunteer Workers Compensation Coverage	
<b>Meeting Date:</b>	February 9, 2018	<b>ACTION</b>
<b>Agenda Number:</b>	7e	

**RECOMMENDATION:**

Adopt Resolution No. 18-XX titled "Resolution of the Governing Body of the Fort Ord Reuse Authority, declaring that governing body members and volunteers shall be deemed to be employees of the district for the purpose of providing workers' compensation coverage for said certain individuals while providing their services" (**Attachment A**) updating Fort Ord Reuse Authority's (FORA) Special District Risk Management Authority Workers' Compensation Policy.

**BACKGROUND/DISCUSSION:**

The Special District Risk Management Authority (SDRMA) notified its members that they needed to pass a governing body resolution to start or continue to cover their Governing Body members and/or volunteers. Section 3363.5 of the California Labor Code provides that a person who performs voluntary work for a public agency as designated and authorized by the Governing Body of the agency or its' designee, shall upon adoption of a Resolution by the Governing Body so declaring, be deemed to be an employee for workers' compensation purposes.

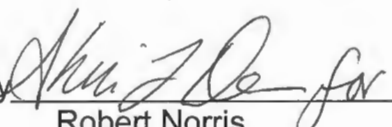
Thus, if such a resolution is adopted, and the Governing Body/volunteer is injured while performing duties for the agency, the Governing Body member/volunteer is entitled receive workers' compensation benefits and their exclusive remedy for recovery against the agency is through the Workers' Compensation system. Such Governing Body members and/or volunteers may be covered for workers' compensation benefits only if a Resolution to that effect is adopted by the Governing Body pursuant to Labor Code 3363.5 and filed with SDRMA.

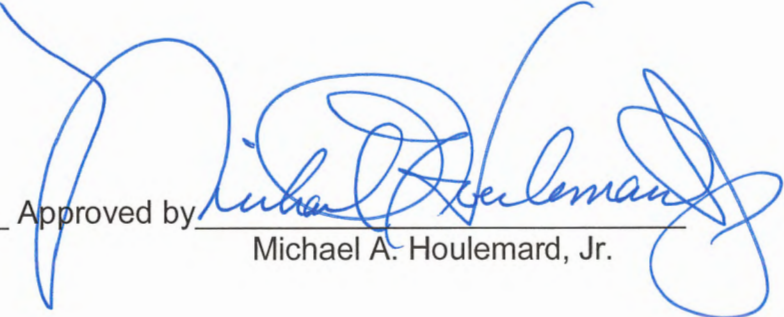
**FISCAL IMPACT:**

The cost of this adjustment is \$21.19 /per member/year based. The FY 18-19 cost is \$550.94

**COORDINATION:**

Executive Committee

Prepared by   
Robert Norris

Approved by   
Michael A. Houlemard, Jr.

**FORT ORD REUSE AUTHORITY  
RESOLUTION NO. 18-XX**

**A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY**

*Declaring that governing body members and volunteers shall be deemed to be employees of the district for the purpose of providing workers' compensation coverage for said certain individuals while providing their services*

---

**WHEREAS**, the Fort Ord Reuse Authority utilizes the services of Governing Body Members and Volunteers; and

**WHEREAS**, Section 3363.5 of the California Labor Code provides that a person who performs voluntary service for a public agency as designated and authorized by the Governing Body of the agency or its designee, shall, upon adoption of a resolution by the Governing Body of the agency so declaring, be deemed to be an employee of the agency for the purpose of Division 4 of said Labor Code while performing such services; and

**WHEREAS**, the Governing Body wishes to extend Workers' Compensation coverage as provided by State law to the following designated categories of persons as indicated by a checkmark in the box to the left of the descriptions:

- X All Members of the Governing Body of the Fort Ord Reuse Authority as presently or hereafter constituted and/or
- X All persons performing voluntary services without pay other than meals, transportation, lodging or reimbursement for incidental expenses
- Individuals on Work-study programs
- Interns
- Other Volunteers
- \_\_\_\_\_  
[Designate]

**NOW, THEREFORE, BE IT RESOLVED** that such persons coming within the categories specified above including the duly elected or appointed replacements of any Governing Body Member and other designated individuals be deemed to be employees of the Fort Ord Reuse Authority for the purpose of Workers' Compensation coverage as provided in Division 4 of the Labor Code while performing such service. However, said Governing Body Members and other designated individuals will not be considered an employee of the Fort Ord Reuse Authority for any purpose other than for such Workers' Compensation coverage, nor grant nor enlarge upon any other right, duty, or responsibility of such Governing Body Members or other designated individuals, nor allow such persons to claim any other benefits or rights given to paid employees of the Fort Ord Reuse Authority.

**PASSED, APPROVED AND ADOPTED** this February 9, 2018 by the following vote:

AYES:  
NOES:  
ABSENT:

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Ralph Rubio, Chair  
Fort Ord Reuse Authority

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APPROVED AS TO FORM:

<b>FORT ORD REUSE AUTHORITY BOARD REPORT</b>	
<b>CONSENT AGENDA</b>	
<b>Subject:</b>	Public Correspondence to the Board
<b>Meeting Date:</b>	February 9, 2018
<b>Agenda Number:</b>	7f
	<b>INFORMATION/ACTION</b>

Public correspondence submitted to the Board is posted to FORA's website on a monthly basis and is available to view at <http://www.fora.org/board.html>

Correspondence may be submitted to the Board via email to [board@fora.org](mailto:board@fora.org) or mailed to the address below:

FORA Board of Directors  
 920 2<sup>nd</sup> Avenue, Suite A  
 Marina, CA 93933

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

**Subject:** 2018 Elect Board Officers

**Meeting Date:** February 9, 2018

**Agenda Number:** 8a

**ACTION**

### RECOMMENDATION:

1. Receive a report from the 2018 Nominating Committee.
2. Approve Nominating Committee's proposed slate or alternatively seek Board/Public nominations, and the Executive Officer will conduct an election.
3. Provide Direction as to possible adjustments to the selection process.

### BACKGROUND/DISCUSSION:

The FORA Master Resolution states that the Board Chair and Vice-Chair shall be elected annually at the end of the first regular Board meeting in January. The Board officers serve for a term of one year and may be reelected for no more than one consecutive, additional term in the same office. Under that policy, the current Board officers are eligible for re-election to their current positions. The Master Resolution also establishes a Board policy of succession from 1<sup>st</sup> Vice Chair to Chair. The Board may appoint other officers as deemed necessary. The Nominating Committee met on January 3 and February 2, 2018 and provides the attached Nominating Committee report. (Attachment A) It is expected that the election will address the following either by slate or subsequent nomination/vote as follows:

- i. Two voting Fort Ord Reuse Authority (FORA) Board members to serve as Board Chair and Vice-Chair and FORA Executive Committee members for a one year term.
- ii. Two voting FORA Board members to serve as members-at-large on the FORA Executive Committee for a one year term.
- iii. Elect a past Board Chair to serve on the Executive Committee for a one year term.
- iv. Elect one ex-officio Board member to serve as a non-voting member of the Executive Committee for a one year term.

VOTING PROCEDURE: A summary nomination covering all offices is offered by the Nominating Committee Chair or any Board member before voting for the individual offices commences. In the absence of a summary nomination, or in the event of additional nominations from the Board/Public, the Chair will accept nominations for each office, starting with the Chair, and conduct an election as noted in **Attachment B**. A majority of votes cast confirms election.

POTENTIAL FUTURE ACTION: Last year some of the FORA Board members inquired if the Officer and Executive Committee selection process could be revised to consider rotation or other methods of selection. The Executive Committee requested that this issue be included for discussion on this Board report.

### FISCAL IMPACT:

Reviewed by FORA Controller 

Staff time for this item is included in the approved FORA budget.

### COORDINATION

Nominating Committee and Executive Committee

Prepared by   
Dominique L. Jones

Approved by   
Michael A. Houlemard



# FORT ORD REUSE AUTHORITY

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

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## MEMORANDUM

Attachment A to Item 8a  
FORA Board Meeting 2/9/18

**TO:** FORA Board of Directors  
**FROM:** Ralph Rubio, Chair and Dominique L. Jones, Deputy Clerk  
**RE:** 2018 Nominating Committee Report  
**DATE:** February 2, 2018

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The 2018 FORA Nominating Committee met on January 3 and February 2, 2018.

On February 9, 2018 the Board will consider Item 8a, 2018 Board Officers Election, for Board Chair and Vice Chair positions, including the four additional members of the Executive Committee (EC), which include Past Chair, two Members-at-large, and an Ex-Officio/Non-Voting member.

The Nominating Committee unanimously recommended the following EC slate for Board consideration:

Chair:	Seaside Mayor Ralph Rubio
Vice Chair:	Monterey County Supervisor Jane Parker
Past Chair:	Marina Mayor Pro-Tem Frank O'Connell
Member-at-Large:	Del Rey Oaks Mayor Jerry Edelen
Member-at-Large:	Salinas Mayor Joe Gunter
Ex-Officio (Non-Voting) Member:	CSUMB President Eduardo Ochoa

## FORA VOTING PROCEDURES

### Election of Officers and Executive Committee

1. The Executive Officer opens the election by confirming that the Nominating Committee slate and nominations are received.
2. The Board may elect the Chair, Vice-Chair, Past Chair, two “at-large” Executive Committee Members and an Ex Officio Member by a summary nomination, wherein a motion to fill all six positions is made (typically by the Nominating Committee Chair) and seconded, and carries with majority support. The summary nomination may be moved in whole or part by appropriate motion and second.
3. If there is no summary nomination or if the summary nomination fails to receive majority approval, the Executive Officer will request nominations from the other Board members. The order of any outstanding positions not filled by summary nomination and election shall be the Chair, Vice-Chair, Past Chair, at-large positions and finally the Ex Officio Member.
4. The Chair will receive all nominations for a given position and allow nominees to make a short statement before ordering a roll-call vote<sup>1</sup>. Each nomination must pass with majority Board approval before the next position is considered. Voting results are announced by the Deputy Clerk. The Executive Officer, as designated FORA Elections Official, will verify and confirm the election.

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<sup>1</sup> The Chair may allow public comment on each nomination prior to vote or alternatively, may require all public comments prior to the Board’s consideration of slate nominations for officers and Executive Committee members.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

**Subject:** Transition Planning Update

**Meeting Date:** February 9, 2018

**Agenda Number:** 8b

**INFORMATION/ACTION**

### RECOMMENDATION

- i. Receive Update on January transition planning issues
- ii. Receive Transition Plan Summary Charts for Administration and Environmental Services Cooperative Agreement;


### BACKGROUND/DISCUSSION

At the January 12, 2018, staff presented the Transition Plan workplan. The first two summary charts of the plan were presented at that time. The workplan requires a strict schedule of summary charts in order to meet the plan submission date prior to December 30, 2018. Accordingly, we are including the draft Transition Plan summary charts for known administrative and Environmental Services Cooperative Agreement ("ESCA") components. The charts will be modified based upon the new side by side comparison approach requested by Senator Monning and approved by the Board at the January meeting. We expect further discussion and refinements during the Transition Ad Hoc Committee discussions. At the January Board meeting, direction was given to secure consultant services and to work with a new transition ad hoc committee on the side by side comparison of Fort Ord Reuse Authority ("FORA") extension as contrasted with allocation/assignment to multiple entities. The FORA Board chair has convened a Transition Ad Hoc Committee ("TAC"). The new charge and the TAC appointees are attached as Exhibit A. Staff is looking to convene the first TAC in mid-February.

Local Agency Formation Commission ("LAFCO") staff submitted a report to its Board on expectations for the FORA Transition Plan. A copy of the LAFCO staff report can be found at (<http://www.monterey.lafco.ca.gov/meetings/current/1-22-18%20Commission%20Meeting/1-22-18%20PDF%20FullMtgPkt-Searchable%20Agn.pdf>, at Agenda Item 15). Of significant note, LAFCO is requesting an application processing fee and an executed Indemnification Agreement upon submission of the Transition Plan. The processing fee is estimated by LAFCO staff to be an amount of between \$10,000-\$20,000. FORA Board Vice Chair Supervisor Parker, in her capacity as LAFCO commissioner, inquired of LAFCO staff as to the value of an Indemnification Agreement executed by FORA if the obligation extends beyond FORA's sunset date. She was advised that this would most likely be handled in the transition plan as a liability for successor entities. We have noted this Indemnification Agreement with a place holder in the Transition Plan which contract will be inserted once it becomes available. Additionally and significantly, LAFCO is requiring an environmental document related to the Transition Plan, the nature and extent of which has not yet been determined by either LAFCO or FORA (as the lead agency). The Board can expect significant budget revisions in the next fiscal year as the Transition Plan ramps up to address indemnification, processing and additional consultant costs. Currently, the Board has approved \$50,000 in consultant fees related to Transition planning. Accordingly, staff has retained an on-call financial consultant to assist with some discrete financial calculations and expects to retain the services of an environmental consultant as well in order to meet the timelines set forth for the Transition Plan.

The first of your summary charts is titled Administrative Contracts, the contract of most interest and most potential liability is the CalPERS contract. As we have previously outlined the current range of terminated agency liability is between \$6.3M and \$8.8M. The second set of summary charts is the ESCA contracts and related regulatory documents. Of particular import related to those documents, is a new state legislation SB50 which prohibits property transfers from the Federal government from being recorded without giving State Lands Commission first right to secure surplus Federal property. This may significantly affect, and/or delay property transfers from the Department of Defense to FORA and/or the ultimate jurisdictions. Special counsel is working with the Executive Officer on options and interpretations of the new legislation, including some exemptions from the State Lands Commission process.

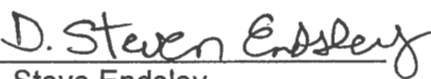
**FISCAL IMPACT**

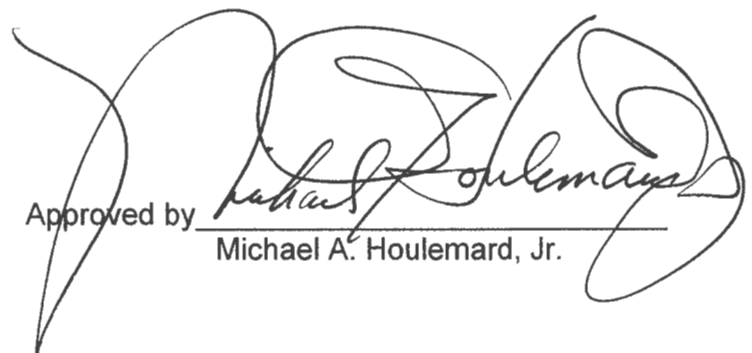
Reviewed by FORA Controller 

Staff time/legal are generally within the approved annual budget, and have been added to current staff workload. Staff anticipates presenting future transition plan budget items for Board consideration.

**COORDINATION**

Prepared by   
Sheri L. Damon

Reviewed by   
Steve Endsley

Approved by   
Michael A. Houlemard, Jr.

**ATTACHMENTS:**

- Attachment A: TAC Charge and appointees
- Attachment B: Summary Chart: Administrative Contracts
- Attachment C Summary Chart: ESCA



Transition Ad-Hoc Committee (“TAC”)

2018 Charge

The Fort Ord Reuse Authority’s (FORA’s) legislative/State Law terminus is June 30, 2020. The TAC is a limited term *ad hoc committee*, formed to review a staff-generated comparative analysis for future FORA Board review. The analysis will contrast FORA Act continuation (including potential modifications) with FORA Act sunset and assignment of liabilities/obligations and resources/revenues to multiple successor agencies. The analysis will include:

- 1) Modifications to the existing FORA Act to address:
  - a. Governance/Membership/Voting.
  - b. Extension date.
  - c. Enforcement powers (prevailing wage, Base Reuse Plan, policies, etc.).
  - d. Affordable housing.
- 2) Multiple successor assignments with completion deadlines in a transition plan (by chapter) format for both tangible and intangible obligations.
  - a. Joint and several liability assignment.
  - b. Individualized/jurisdiction assignments and completion date.
  - c. Outstanding obligation and asset prioritization.
  - d. Enforcement of Basewide Costs and Mitigation Measures.

The TAC input is ongoing through June 1, 2018. The Committee Chair shall coordinate with staff on monthly progress reports to the Board.

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**Appointees:**

Andre Lewis, Chair CSU Monterey Bay	Councilmember Alan Haffa City of Monterey
Councilmember Gail Morton City of Marina	Mayor Jerry Edelen City of Del Rey Oaks
Mayor Ralph Rubio City of Seaside	Supervisor Mary Adams County of Monterey
Councilmember Cynthia Garfield City of Pacific Grove	Director Debbie Hale Transportation Agency of Monterey County

## **TRANSITION PLANNING/SUMMARY CHART**

### **ADMINISTRATIVE**

#### **SUMMARY OF OBLIGATIONS AND SOURCE**

The most significant administrative FORA liabilities are 1) the California Public Employees Retirement System Contract obligations and 2) the Local Agency Formation Commission indemnification requirements. The other assets/liabilities are comprised of a set of insurance policies which cover a variety of matters, attendant funds to address unfunded terminated agency liabilities and FORA's plant and facilities (e.g. desks/chairs/equipment, etc.)

#### **EXISTING CONTRACTS AFFECTING WATER**

Please see **Exhibit 1**.

#### **NOTES:**

The CalPERS contract requires resolution of intent to terminate and one year notice to CalPERS.

LAFCO Indemnification Agreement obligations and potential liability could be substantial if LAFCO's approval of the transition plan is challenged.

Administrative Contracts

Contract	Year	Asset/Liability Pledge/Obligation	DATE COMPLETION	Multi-Agency	Multi-Agency Notes
CalPERS Contract	1997	Liability		<a href="#">All voting members</a>	*FORA has set aside approximately \$7M in assets to address terminated agency unfunded Liability
CalPERS Contract Amendment 1	1999	Liability		<a href="#">All voting members</a>	*FORA has set aside approximately \$7M in assets to address terminated agency unfunded Liability
CalPERS Contract Amendment 2	2003	Liability		<a href="#">All voting members</a>	*FORA has set aside approximately \$7M in assets to address terminated agency unfunded Liability
LAFCO Indemnification Agreement	2018	Liability		<a href="#">All voting members</a>	May require a substantial contribution should LAFCO be sued on transition plan
General Umbrella Policy	Annual	Liability/Asset		All Members*	May want to extend policy to provide coverage during any possible Statute of limitations time period
Commercial Property/Premises Liability	Annual	Liability/Asset		All Members*	May want to extend policy to provide coverage during any possible Statute of limitation time period
Worker's Compensation Policy	Annual	Liability/Asset		All Members*	May want to extend policy to provide coverage during any possible Statute of limitation time period
Director's Liability Policy	Annual	Liability/Asset		All Members*	May want to extend policy to provide coverage during any possible Statute of limitation time period
Crime Bond Policy	2006	Liability/Asset	Ongoing	All Members*	May want to extend policy to provide coverage during any possible Statute of limitation time period

Notes:

**KUTAK ROCK LLP**

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(202) 828-2418

**MEMORANDUM**

**TO: FORT ORD REUSE AUTHORITY**

**FROM: GEORGE SCHLOSSBERG  
BARRY STEINBERG  
NEO TRAN**

**DATE: JANUARY 19, 2018**

**RE: ROLE OF FEDERALLY RECOGNIZED LOCAL REDEVELOPMENT  
AUTHORITIES**

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***Introduction:***

This Memorandum is in response to your request for information regarding the federal role and federal requirements for a Local Redevelopment Authority (“LRA”) to implement the closure and redevelopment of the former Fort Ord under the Defense Base Closure and Realignment Act of 1990, as amended, and other applicable federal law and regulations. We are providing this information in our role as the federal base closure counsel for the Fort Ord Reuse Authority (“FORA”), and our advice is provided in the context of FORA’s relationship, agreements, and obligations with the federal government.

***Role of Federally Recognized Local Reuse Authorities:***

The Defense Base Closure and Realignment Act of 1990 (as amended, the “Base Closure Act”), defines a local redevelopment authority (“LRA”) as

*“... any entity (including any entity established by a State or local government) recognized by the Secretary of Defense as the entity responsible for developing the redevelopment plan with respect to the installation or for directing the implementation of such plan.”<sup>1</sup>*

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<sup>1</sup> Base Closure Act, § 2910(9).

## ROLE OF FEDERALLY RECOGNIZED LOCAL REDEVELOPMENT AUTHORITIES

January 19, 2018

An LRA serves as the primary link between the Department of Defense (“DOD”), the installation, and other federal and state agencies on one hand, and the local communities on the other hand, for all matters related to the closure and redevelopment of the former military installation pursuant to the Base Closure Act.<sup>2</sup> It is the single entity charged with identifying local redevelopment needs and preparing a comprehensive redevelopment plan (“Community Reuse Plan”) that balances all of the disparate requirements of the surrounding community; such federal deference is given to the Community Reuse Plan that DOD is required to consider such Community Reuse Plan in the environmental review process that guides the disposal of the surplus federal property.

Generally, the Secretary of Defense will recognize a single LRA per closed installation.<sup>3</sup> However, since skills and authorities needed to develop a Community Reuse Plan are different from those needed to implement such a plan, DoD regulations permit the sequential recognition of two LRAs: (i) a “Planning” LRA for the initial planning phase leading to the preparation and adoption of the Community Reuse Plan, and (ii) an “Implementation” LRA for the subsequent implementation phase leading to the redevelopment and build-out of the former installation in accordance with the Community Reuse Plan. FORA has sought and received such sequential recognition, first as a Planning LRA, and subsequently as an Implemental LRA. As the Department of Defense Base Redevelopment and Realignment Manual (“Manual”) explains:

*Initially, the LRA should focus on crafting the base redevelopment plan. During the base closure process, it is not uncommon for one entity to be recognized as the LRA for reuse planning purposes, and a follow-on entity designated to coordinate and oversee implementation of the plan. In some cases, the LRA also may want to implement all or part of the redevelopment plan. Not all communities will choose to create an implementation LRA. Implementation responsibilities, including restructuring or dissolving the planning LRA, should await completion of the redevelopment plan and a financial feasibility analysis of alternative scenarios for actual redevelopment.*<sup>4</sup>

The DOD’s Office of Economic Adjustment (“OEA”) will recognize an Implementation LRA only if the LRA pursues an economic development conveyance (“EDC”).<sup>5</sup> FORA submitted an EDC application in 1997 seeking to acquire at no cost significant portions of the surplus federal property comprising the former Fort Ord, and entered into that certain *Memorandum of Agreement between the United States of America and the Fort Ord Reuse Authority for the sale of portions of the former Fort Ord*, dated June 20, 2000, as amended (“EDC Agreement”). The EDC Agreement has been amended seven (7) times since 2000, most recently on January 5, 2018. Among other things, the consideration to the United States for the

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<sup>2</sup> Section C3.2.2 of the Base Redevelopment and Realignment Manual, Office of Deputy Under Secretary of Defense (Installations and Environment), March 1, 2006 (“Base Redevelopment and Realignment Manual”).

<sup>3</sup> 32 C.F.R. §174.6(a).

<sup>4</sup> Base Redevelopment and Realignment Manual, Section C3.2.3.

<sup>5</sup> Base Redevelopment and Realignment Manual, Section C3.2.3.

## ROLE OF FEDERALLY RECOGNIZED LOCAL REDEVELOPMENT AUTHORITIES

January 19, 2018

EDC Agreement and the conveyance of the many acres of surplus federal property and other interests in property and water interests to FORA at no cost, is FORA's obligation to implement the Community Reuse Plan that was the basis for the EDC Application.

### *Requirements for LRA to Implement the Community Reuse Plan:*

At a fundamental level, an Implementation LRA (such as FORA) needs the requisite resources, ability, and authority to implement the Community Reuse Plan. For example, if the Community Reuse Plan envisions certain limitations on the use of the property, the Implementation LRA needs to be able to assert appropriate land use controls. If the Community Reuse Plan is dependent upon certain infrastructure improvements prior to development, the Implementation LRA must have the financial resources, or access to capital, and legal authorities sufficient to place the infrastructure in a timely manner. And where resources are limited, the Implementation LRA must have the ability to allocate those resources across the surplus property in a fair and impartial manner that guarantees the success of the Community Reuse Plan. And most importantly, the Implementation LRA must be able to comprehensively monitor and enforce the many environmental use restrictions placed on the property by the federal quitclaim deeds conveying the surplus property to FORA, as well as comprehensively enforce any contractual obligations FORA has undertaken in the course of its relationship with the federal government.

Redevelopment of an installation such as Fort Ord pursuant to the Base Closure Act has several key factors rooted in the federal base closure ("BRAC") process that differentiate it from other non-BRAC large-scale development projects:

- The Implementation LRA is the only entity eligible to receive BRAC property under an Economic Development Conveyance ("EDC").<sup>6</sup> Therefore, the Implementation LRA must have the legal authority to negotiate and enter into the EDC with DOD, receive and manage the property under its name, and lease, dispose, or development such property as a single project in accordance with the Community Reuse Plan pursuant to the Base Closure Act. It is likely that many more amendments to the EDC Agreement will be required as the surplus federal property is redeveloped, and the build-out contemplated by the Community Reuse Plan continues, and only the Implementation LRA may seek and enter into these amendments. Importantly, the EDC Agreement provides that should the Army determine that additional water rights are excess to the needs of the Army, FORA shall have the first right of refusal to any such transfer rights. Absent, such central allocation of water rights in support of the Community Reuse Plan, it is unlikely that the Army would transfer such water rights to the community.

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<sup>6</sup> 32 C.F.R. 174.9(b).

## ROLE OF FEDERALLY RECOGNIZED LOCAL REDEVELOPMENT AUTHORITIES

January 19, 2018

- The Implementation LRA serves as the local authority on behalf of federal agencies to seek, monitor and implement Public Benefit Conveyances and Homeless Assistance Provider land conveyances. This is a continuous process that often requires the Implementation LRA to enforce or take over Legally Binding Agreements entered into with Homeless Providers or other recipients of surplus federal property in accordance with the Community Reuse Plan.
- The Implementation LRA must have sufficient financing, or the ability to acquire such financing, to carry out the economic development objectives set forth in the Community Reuse Plan. Specifically, the Implementation LRA must have the authority and status to accept federal funding from the DOD Office of Economic Adjustment (“OEA”), or other federal agencies or entities. However, OEA requires that its funds be segregated and dedicated to implementation of the Community Reuse Plan and not co-mingled with other funding sources. Additionally, to the extent required by the EDC Agreement or any amendments to the EDC Agreement, the Implementation LRA must have the authority to meet federal requirements for “back-end” revenue sharing, which may include segregating total project revenues to meet federal accounting standards.
- The Implementation LRA must have sufficient financing, or the ability to acquire such financing, to implement and manage in a comprehensive manner the infrastructure requirements necessary to carry out the economic development objectives set forth in the Community Reuse Plan.
- The Implementation LRA has unique federal environmental remediation obligations and authorities that permit the Implementation LRA to pursue certain conveyances of surplus property in advance of its remediation in accordance with federal environmental requirements. In fact, and as discussed below, FORA has undertaken this obligation, by (i) accepting from the Army an “Early Transfer” of environmentally contaminated surplus federal property, and (ii) by entering into an Environmental Services Cooperative Agreement (“ESCA”) with the United States. Both the Early Transfer and the ESCA involve continuing obligations that will likely not be completed by the time FORA is set to sunset.

### ***Unique Environmental Matters Relating to Fort Ord:***

1. Federal Superfund Site: Fort Ord has been designated as a national priorities list (NPL) site, the formal title of a Superfund site. In addition to munitions and explosives of concern (“MEC”) issues for which FORA is being paid to remediate, the groundwater at the former base is contaminated and requires remediation. This groundwater remediation is being performed by the Army, not FORA, and is not likely to be completed in the next twenty (20)

**ROLE OF FEDERALLY RECOGNIZED LOCAL REDEVELOPMENT AUTHORITIES**

January 19, 2018

years. As a consequence, there are constraints on access to and the use of groundwater and those constraints are reflected in the deeds to the property. These constraints, coupled with continuing obligations to address the potential of encountering MEC, necessitate a comprehensive long term plan consisting of monitoring, inspection, and enforcement obligations. These are the responsibility of FORA initially, and eventually will pass by deed to the end users of the property. In addition to FORA, the local jurisdictions in which the property is located will be obligated to exercise their municipal authority to ensure compliance with the long term environmental obligations imposed on the property.

2. Early Transfer: The transfer of title to real property out of the federal inventory requires a federal determination that all action necessary to protect human health and the environment *has been taken*.<sup>7</sup> This statutory requirement establishes a condition precedent to transfer, which in the case of the former Fort Ord, could not be met by the Army owing to the environmental contamination of the property as a result of military activities, including the use and disposition of MEC. In order to accelerate the conveyance of contaminated properties, federal law permits an expedited disposal process, a so-called “Early Transfer,” whereby the determination that all remedial action has been taken is deferred,<sup>8</sup> when sufficient guarantees can be put in place that (i) the required remediation will take place post-transfer, and (ii) that suitable protections for human health and the habitat can be established during the remediation process.

The Early Transfer process for a California NPL site requires, by statute, the approval of the Administrator of the United States Environmental Protection Agency (“EPA”) and the concurrence of the Governor of California. As a condition for this approval and concurrence, FORA was required to enter into an Administrative Order on Consent (“AOC”) with EPA and California Department of Toxic Substances Control (“DTSC”), establishing the process, schedule, documentation, and regulatory oversight of the MEC work for which the Army is responsible, and FORA is performing. In essence, the AOC creates an enforcement mechanism by the federal and State regulatory agencies binding FORA, as the single point of responsibility to complete the agreed upon work of the AOC. Should FORA sunset prior to the completion of this AOC mandated environmental work, the assignment of this responsibility would need the consent of EPA.

3. Environmental Services Cooperative Agreement: In order to satisfy the remediation requirements for an Early Transfer, FORA entered into an environmental services cooperative agreement (“ESCA”) with the Army, whereby the Army would fund the environmental investigation and remediation of MEC through a grant to FORA,<sup>9</sup> thereby avoiding the incremental funding of Army contractors over many years. In the case of the former Fort Ord, this enables FORA to remediate the surface and near surface areas many years sooner than would have occurred had the Army pursued its usual funding and contracting process. It is estimated that the combination of an early transfer and cooperative agreement funding has

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<sup>7</sup> 42 USC 9620(h)(3)

<sup>8</sup> 42 USC 9620(h)(3)(C)

<sup>9</sup> 10 USC 2701(d)



**ROLE OF FEDERALLY RECOGNIZED LOCAL REDEVELOPMENT AUTHORITIES**

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accelerated FORA's beneficial use of the surface area by as much as 10 years. Should FORA sunset prior to the completion of the ESCA, the assignment of this responsibility would need to be negotiated with the Army.

***Conclusion:***

Should FORA sunset in 2020, and not be replaced by a single entity empowered to comprehensively implement the Community Reuse Plan and the ESCA, the multiple Fort Ord communities will face additional development challenges and possible liabilities resulting from potential defaults under the ESCA that will make it more difficult to achieve the desired common economic development goals of the Community Reuse Plan, as well as face individual financial burdens heretofore efficiently absorbed by FORA through economies of scale.

The federal government will correctly insist on a single entity to assume the financial, management and administrative obligations of the AOC and the ESCA, and the individual governmental units enforcing the land use restrictions contained in the hundreds of federal quitclaim deeds will need to coordinate their enforcement approaches to enforce identical and common land use restrictions. Moreover, applications for Federal assistance for common infrastructure required to implement the Community Reuse plan will need to be coordinated to avoid destructive competition while assuring timely completion of the infrastructure and development.

I trust this Memorandum is responsive to your request for information. If you have any questions or concerns, please call George Schlossberg directly at 202-828-2418, or contact him by email at [george.schlossberg@kutakrock.com](mailto:george.schlossberg@kutakrock.com).

**G.R.S. & N.T.T.**

## **TRANSITION PLANNING/SUMMARY CHART**

### **ENVIRONMENTAL SERVICES CONTRACTS**

#### **SUMMARY OF OBLIGATIONS AND SOURCE**

Environmental cleanup (especially military munitions) of Fort Ord lands is an extensive and complicated task. The environmental issues run the gamut from regulatory Superfund site designation (and delisting) of the entire former Fort Ord lands to removal and long term monitoring of munitions and explosives of concern (“MEC”). There are state and federal regulatory and contractual assets/liabilities and obligations running between multiple parties, e.g. Army to FORA, Army to Department of Toxic Substance Control and Environmental Protection Agency to FORA and multiple jurisdictions. In exchange for property transfer to local hands and to align clean up with local and regional demands, FORA and the Army entered into a clean up agreement in which the Army paid for clean up services. FORA just entered an amended agreement in which additional funds from the Army are provided to complete the reporting and additional regulatory requirements going forward to 2028. This includes how to proceed should activities in the future discover unexpected MEC, which will expose the property owner/developer of land to potential liabilities and determinations (creating lengthy delays, injury or impossibility of affecting ultimate end use plans).

#### **EXISTING CONTRACTS AFFECTING WATER**

Please see Exhibit 1.

#### **NOTES:**

Administrative Order on Consent can be assigned, but it is subject to Army/Regulator review of assignee(s) technical, managerial and financial ability to perform remaining obligations.

See Kutak Rock memorandum on Federal contractual ESCA issues, pages 4-6.

Environmental Services					
Contract	Year	Asset/Liability Pledge/Obligation	DATE COMPLETION	Multi-Agency	Multi-Agency Notes
FORA-City of Monterey ESCA Property Management MOA	2007	Asset/Obligation	Dependent upon Property transfer	N/A	
Pollution Legal Liability Insurance (PLL) - ESCA Insurance Policy Coverages A, B & C	2007	Asset			1. Requires Written Consent to successor
FORA-County ESCA Property Management MOA	2007	Asset/Obligation	Dependent upon Property transfer		
FORA-CSUMB ESCA Property Management MOA	2007	Asset/Obligation	Dependent upon Property transfer		
FORA-DRO ESCA Property Management MOA	2007	Asset/Obligation	Dependent upon Property transfer		
FORA-MPC ESCA Property Management MOA	2008	Asset/Obligation	Dependent upon Property transfer		
FORA-Seaside ESCA Property Management MOA	2007	Asset/Obligation	Dependent upon Property transfer		
ESCA Cooperative Agreement Award (End date amended 2017)	2007	Asset/Liability	2037	County***	
ESCA Cooperative Agreement Award-Amendment 1	2017	Asset/Liability	2028	County***	
FORA-LFR Fort Ord Remediation Services Agreement	2007	Asset/Liability	?2019/2020?	County***	Assignable
US EPA-Army-State of CA Federal Facility Agreement	1990	Obligation/Liability		County	
US EPA Administrative Order on Consent	2007	Liability/Obligation		County/Seaside/Monterey/Del Rey Oaks Marina/CSUMB/UC/MPC/MCW D	Requires 120-notice/Financial and Technical Expertise/Approval by EPA/DTSC
Pollution Legal Liability Insurance (PLL) CHUBB	2015	Asset/Liability/Obligation			Requires consent
MOU Regarding Development of the Central Coast Veterans Cemetery	2009	Liability/Obligation		County/Seaside	
Remedial Design/Remedial Action, Land Use Controls Implementation, Operations and Maintenance Plan, Parker Flats MRA Phase I*	2009	Liability/Obligation	No End Date	County of Monterey	
G1 Land Use Covenant Implementation Plan and Operations Maintenance Plan (LUCIP/OMP)	2018**	Obligation	No End Date	Enforcement by Successor	
G2 LUCIP/OMP	2018**	Obligation	No End Date	Enforcement by Successor	
G3 LUCIP/OMP	2018**	Obligation	No End Date	Enforcement by Successor	
G4 LUCIP/OMP	2018**	Obligation	No End Date	Enforcement by Successor	
IAR LUCIP/OMP	2018**	Obligation	No End Date	Enforcement by Successor	
MOA Jurisdictions and DTSC Concerning Monitoring and Reporting on Environmental Restrictions on the Former Fort Ord	2008	Liability/Obligation	No End Date	County/Seaside/Monterey/Del Rey Oaks/Marina, CSUMB/UC/MPC	
Notes:					
* Agreement will be replaced with new LUCIP Agreement/Restriction					
** LUCIP/OMP agreements are expected to be finalized in 2018					

# Item 8c

## Eastside Parkway Goals and Objectives

[http://fora.org/Board/2018/Packet/Additional/020918\\_Item8c-Exhibits\\_A-B.pdf](http://fora.org/Board/2018/Packet/Additional/020918_Item8c-Exhibits_A-B.pdf)

[http://fora.org/Board/2018/Packet/Additional/020918\\_Item8c-Exhibit\\_C.pdf](http://fora.org/Board/2018/Packet/Additional/020918_Item8c-Exhibit_C.pdf)

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# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

<b>Subject:</b>	Fort Ord Reuse Authority Fiscal Year 2017-18 Mid-Year Budget/Section 115 Trust	
<b>Meeting Date:</b>	February 9, 2018	<b>ACTION</b>
<b>Agenda Number:</b>	8d	

### **RECOMMENDATION:**

Adopt 1) the Fort Ord Reuse Authority (FORA) Fiscal Year 2017-18 (FY 17-18) Mid-Year Budget approving additional expenditures, as recommended by the Finance Committee (as specified in the "Coordination" section below), 2) authorize the Executive Officer to negotiate associated contract documents for Board review/approval at a future meeting that would provide for FORA to participate in Public Agencies Post-Employment Benefits Section 115 Trust Program (Section 115 Trust) administered by Public Agency Retirement Services ("PARS") to pre-fund Pension and Other Post-Employment Benefits (OPEB), and 3) adjust FORA Investment Policy for Board review/adoption at a future Board meeting.

### **BACKGROUND:**

The mid-year budget update is typically provided by the March Board meeting. This report covers the status of the FY 17-18 budget approved at the May 12, 2017 Board meetings. The Finance Committee reviewed the mid-year budget and Section 115 Trust at its January 10, 2018 meeting; the Executive Committee (EC) met on January 31, 2018 and reviewed the budget with respect to inclusion in the Board Agenda.

### **DISCUSSION:**

The mid-year budget represents revenues and expenditures based on current estimates through the end of the fiscal year.

**REVENUES: No change**

**EXPENDITURES: Net increase of \$6,286,160**

#### **Funding requested:**

- Unfunded Actuarial Liability - \$586,160: This will fully fund the unfunded actuarial liability, saving interest cost and further reducing the estimated CalPERS termination liability currently estimated at \$6.3M - \$8.3M.
- Section 115 Trust- \$5.7M: Please review attached staff memo

#### **Other:**

- Expense reclassification of Architects and Engineers to the Capital Projects line in keeping with the Capital Project budgeting format.

**Attachment A** Staff memorandum to FORA EC.

**Attachment B** illustrates the mid-year budget as compared to the approved budget; corresponding notes offer brief narrative descriptions of budget variances.

**Attachment C** depicts the mid-year budget by individual funds.

**Attachment D** itemizes updated expenditures.

**FISCAL IMPACT:**

As a result of the proposed budget adjustments, the combined fund ending balance at June 30, 2018 is anticipated to be about \$40.8 Million.

**COORDINATION:**

Finance Committee, Executive Committee

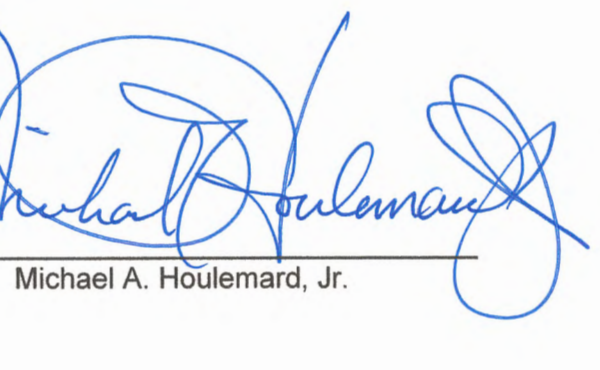
1. Finance Committee (making recommendations on funding availability);
  - i) The budget includes sufficient funding to absorb mid-year adjustments, and
  - ii) Adopt the FY 17-18 mid-year budget.
2. Executive Committee (makes recommendations to the Board regarding staffing/benefits adjustments);
  - i) If the Board concurs with Staff in participating in a Section 115 Trust, the Executive Committee will review a resolution to recommend creation of a Section 115 Trust and adjustment to the FORA Investment Policy at a future Board meeting.

Prepared by



Helen Rodriguez

Approved by



Michael A. Houlemard, Jr.



# FORT ORD REUSE AUTHORITY

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## MEMORANDUM

**TO:** Fort Ord Reuse Authority (FORA) Executive Committee (EC)  
**FROM:** FORA Staff (Michael Houlemard, Helen Rodriguez, and Steve Endsley)  
**RE:** Section 115 Trust Investment  
**DATE:** January 26, 2018

### RECOMMENDATION

That the Executive Committee recommend to the Fort Ord Reuse Authority (“FORA”) Board that they authorize participation in the Public Agencies Post- Employment Benefits Section 115 Trust Program (Section 115 Trust) administered by Public Agency Retirement Services (“PARS”) to pre-fund Pension and Other Post-Employment Benefits (OPEB) and authorize the Executive Officer to execute associated contract documents.

### BACKGROUND

Please review the attached Executive Committee report considered by the EC at the January 3, 2018 regular meeting and Finance Committee (FC) report provided for their January 10 meeting.

As FORA staff described at the January 3, 2018 EC meeting, the FORA Executive Committee makes recommendations to the FORA Board on matters related to compensation and benefits. During the meeting the EC reviewed the potential for a Section 115 Trust and referred the question for consideration by the FC given its financial matters/budgeting role, prior to the EC recommending action to the FORA Board.

In the current FORA budget, upon recommendation by the Finance Committee, the Board set aside a \$7.3M reserve for future California Public Employee Retirement System (CalPERS) associated obligations. Staff noted to both the FC and the EC that CalPERS has concluded that the range of FORA’s post 2020 obligation is currently estimated to be between \$6.3M & \$8.1M.

### DISCUSSION

The Section 115 Trust Program, to pre-fund pension and OPEB costs for retirement, is a relatively new mechanism available to California local/regional governments - and a number of Counties, municipalities, and special districts have recently taken the opportunity to enter such arrangements. FORA staff reviewed the options of the two independent retirement plan administrators, that have received the Private Letter Ruling (PLR) from the Internal Revenue Service (IRS) in looking at which would best serve FORA’s needs.

PARS has been the prevailing mechanism adopted by government agencies to access the Section 115 Trust Program to pre-fund pension and OPEB responsibilities. PARS

provides the security of a Private Letter Ruling from the IRS that assures participants of the tax-exempt status of their investments. PARS also allows FORA the flexibility to select investment strategies and portfolios to match our investment policy, providing control on target yield and level of risk. PARS has partnered with U.S. Bank to serve as trustee for this program.

Other Monterey Bay jurisdictions have taken advantage of the better returns from investing their reserves in special accounts/investment pools to address a portion of this type of future obligation. It appears that FORA may be able to take advantage of the Section 115 Trust opportunity to increase the yield of the set aside funds and, thereby, potentially increasing the impact of these funds for retiring the obligation.

After the FC reviewed this potential opportunity, they have unanimously concurred with staff's suggestion to invest with a Section 115 provider. They further have recommended that the EC concur in their recommendation for 1) funding \$586,160 of the CalPERS Unfunded Actuarial Liability, 2) investing \$5.7M in a Section 115 Trust, and 3) retaining \$1M in reserve to potentially add to the investment after reviewing initial results. The FC noted that such investment would be 1) consistent with FORA's investment Policy and 2) a wise action to potentially increase the yield of the set aside funds. FORA Staff and the FORA Finance Committee recommend using PARS as the provider for accessing the Section 115 opportunity and that the FC recommendation to invest \$5.7M be implemented in the near term.

#### FISCAL IMPACT

Establishing the Section 115 Trust Program to pre-fund pension obligations would require a Board resolution to create the Trust and use funds already designated for that purpose by the Board. Trust funding will restrict the use of funds that are transferred to the irrevocable trust account. \$5.7 million would be transferred to the Section 115 Trust Program to pre-fund Pension obligations. Future contributions to the Section 115 Trust Program would depend on the year end closing results in subsequent fiscal years.

According to the PARS representatives the total combined administrative, trustee and investment management fees for PARS, U.S. Bank and HighMark Capital Management start at 0.50% for assets of \$5-10 million and will become lower as assets in the Trust increase. The fees would be paid from the Trust assets.



**FORT ORD REUSE AUTHORITY - FY 17-18 MID-YEAR BUDGET - BY FUND**

CATEGORY	SPECIAL REVENUE FUNDS (SRF)				TOTAL ANNUAL BUDGET
	GENERAL FUND	LEASES/ LAND SALE	CFD/Tax Developer Fees	ARMY ESCA	
<b>REVENUES</b>					
Membership Dues	307,000	-	-	-	307,000
Franchise Fees - MCWD	415,000	-	-	-	415,000
Federal Grants	-	-	-	1,002,580	1,002,580
Development Fees	-	-	6,118,763	-	6,118,763
Land Sale Proceeds	-	-	-	-	-
Rental/Lease Revenues	50,000	-	-	-	50,000
Property Tax Payments	1,300,000	-	1,010,835	-	2,310,835
Reimbursement Agreements	5,000	-	-	-	5,000
Investment/Interest Income	90,000	-	20,000	-	110,000
Other Income	-	-	-	-	-
<b>Total Revenues</b>	<b>2,167,000</b>	<b>-</b>	<b>7,149,598</b>	<b>1,002,580</b>	<b>10,319,178</b>
<b>EXPENDITURES</b>					
Salaries & Benefits	8,359,021	150,480	629,869	405,880	9,545,250
Supplies & Services	304,443	19,457	97,200	54,200	475,300
Contractual Services	639,000	2,000	379,000	542,500	1,562,500
Capital Projects	-	3,750,000	9,293,796	-	13,043,796
<b>Total Expenditures</b>	<b>9,302,464</b>	<b>3,921,937</b>	<b>10,399,865</b>	<b>1,002,580</b>	<b>24,626,846</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,135,464)</b>	<b>(3,921,937)</b>	<b>(3,250,267)</b>	<b>-</b>	<b>(14,307,668)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In/(Out)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES &amp; OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	<b>(7,135,464)</b>	<b>(3,921,937)</b>	<b>(3,250,267)</b>	<b>-</b>	<b>(14,307,668)</b>
FUND BALANCE-BEGINNING 7/1/17	12,944,570	11,797,910	21,601,292	-	46,343,772
<b>FUND BALANCE-ENDING 6/30/18</b>	<b>5,809,106</b>	<b>7,875,973</b>	<b>18,351,025</b>	<b>-</b>	<b>32,036,104</b>

**Fund Balances**

**Committed/Assigned for:**

CalPers Termination	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Operations	3,133,333	-	-	-	3,133,333
Habitat Management (HM/HCP)	-	-	13,829,853	-	13,829,853
Building Removal	-	3,339,000	-	-	3,339,000
CIP	-	4,536,973	4,521,172	-	9,058,145
<b>Unassigned</b>	<b>1,675,773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,675,773</b>
<b>Ending Fund Balance</b>	<b>5,809,106</b>	<b>7,875,973</b>	<b>18,351,025</b>	<b>-</b>	<b>32,036,104</b>

**FORT ORD REUSE AUTHORITY - FY 17-18 MID-YEAR BUDGET - BY FUND**

CATEGORIES	FY 17-18 APPROVED	FY 17-18 <u>Variances</u> <i>Projected thru 6/30/18</i>	FY 17-18 Mid Year	NOTES
<b>REVENUES</b>				
Membership Dues	\$ 307,000	\$ -	\$ 307,000	
Franchise Fees - MCWD	415,000	-	415,000	
Federal Grants	1,002,580	-	1,002,580	
Development Fees	6,118,763	-	6,118,763	
Land Sale Proceeds	-	-	-	
Rent Proceeds	50,000	-	50,000	
Property Taxes	2,310,835	-	2,310,835	
Reimbursement Agreements	5,000	-	5,000	
Investment/Interest Income	110,000	-	110,000	
<b>TOTAL REVENUES</b>	<u>10,319,178</u>	<u>-</u>	<u>10,319,178</u>	
<b>EXPENDITURES</b>				
Salaries & Benefits	3,259,090	6,286,160	9,545,250	UAL Funding and Section 115 Trust
Supplies & Services	475,300	-	475,300	
Contractual Services	2,312,500	(750,000)	1,562,500	Reclassification of Engineers to match CIP Budget
Capital Projects (CIP)	12,293,796	750,000	13,043,796	Reclassification of Engineers to match CIP Budget
<b>TOTAL EXPENDITURES</b>	<u>18,340,686</u>	<u>6,286,160</u>	<u>24,626,846</u>	
<b>REVENUES &amp; OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	(8,021,508)	(6,286,160)	<b>(14,307,668)</b>	<i>Use of Fund Balance</i>
<b>FUND BALANCES</b>				
<b>Beginning</b>	46,343,772	-	<b>46,343,772</b>	Ties to FY 16-17 Audited Financials
<b>Ending</b>	\$ 38,322,264	\$ (6,286,160)	<b>\$ 32,036,104</b>	<b>Ending Fund Balance</b>
<b>Fund Balances</b>				
<i>Committed/Assigned for:</i>				
CalPers Termination	\$ 7,300,000	\$ (6,300,000)	\$ 1,000,000	UAL Funding and Section 115 Trust
Operations	4,700,000	(1,566,667)	3,133,333	Reduced to 2 year reserve
Habitat Management (HM/HCP)	13,829,853		13,829,853	
Building Removal	3,339,000		3,339,000	
CIP	9,058,145		9,058,145	
<b>Unassigned</b>	<u>95,266</u>	<u>1,580,507</u>	<u>1,675,773</u>	
<b>Ending Fund Balance</b>	<u>\$ 38,322,264</u>	<u>\$ (6,286,160)</u>	<u>\$ 32,036,104</u>	

## FORT ORD REUSE AUTHORITY - FY 17-18 MID-YEAR BUDGET - BY FUND

EXPENDITURE CATEGORIES	FY 17-18 Approved	FY 17-18 Mid-Year Proposed	Change	NOTES
				"N" indicates a new expense in FY 17-18 budget
<b><u>SALARIES AND BENEFITS (S &amp; B)</u></b>	16 positions + 1 intern	16 positions + 1 intern		
SALARIES	1,911,684	1,911,684	-	
BENEFITS/HEALTH, RETIREMENT, OTHER	672,406	672,406	-	
TEMP HELP/VACTION CASH OUT/STIPENDS	100,000	100,000	-	
<i>SUBTOTAL S &amp; B</i>	<b>2,684,090</b>	<b>2,684,090</b>	-	
<b><u>CalPERS UNFUNDED LIABILITIES (UAL)</u></b>				
PERS - Termination Liability		5,700,000	5,700,000	Creation of Sec 115 Trust - funding liability unfunded actuarial liability - reduces termination liability, save interest.
PERS UAL	575,000	1,161,160	586,160	
<i>SUBTOTAL PERS UAL</i>	<b>575,000</b>	<b>6,861,160</b>	6,286,160	
<b><u>TOTAL SALARIES , BENEFITS AND UAL</u></b>	<b>3,259,090</b>	<b>9,545,250</b>	6,286,160	
<b><u>SUPPLIES AND SERVICES</u></b>				
PUBLIC & LEGAL NOTICES	8,000	8,000	-	
COMMUNICATIONS	8,000	8,000	-	
DUES & SUBSCRIPTIONS	25,000	25,000	-	
PRINTING & COPY	13,000	13,000	-	
SUPPLIES	16,000	16,000	-	
EQUIPMENT & FURNITURE	25,000	25,000	-	
TRAVEL & LODGING	33,000	33,000	-	
CONFERENCE, TRAINING & SEMINARS	19,000	19,000	-	
MEETING EXPENSES	15,000	15,000	-	
TELEVISED MEETINGS	7,000	7,000	-	
BUILDING MAINTENANCE & SECURITY	10,000	10,000	-	
FORA OFFICES RENTAL	180,000	180,000	-	
UTILITES	13,500	13,500	-	
INSURANCE	27,300	27,300	-	
PAYROLL/ACCOUNTING SERVICES	7,500	7,500	-	
IT/COMPUTER SUPPORT	29,000	29,000	-	
RECORD ARCHIVING	1,000	1,000	-	
PREVAILING WAGE TECH SUPPORT/SOFTWARE	10,000	10,000	-	
N Community Outreach/Marketing	25,000	25,000	-	
OTHER (POSTAGE, BANK FEES, MISC)	3,000	3,000	-	
<b><u>TOTAL SUPPLIES AND SERVICES</u></b>	<b>475,300</b>	<b>475,300</b>	-	
<b><u>CONTRACTUAL SERVICES</u></b>				
AUTHORITY COUNSEL	200,000	200,000	-	
LEGAL/LITIGATION FEES	125,000	125,000	-	
LEGAL FEES - SPECIAL PRACTICE	25,000	25,000	-	
AUDITORS	24,000	24,000	-	
SPECIAL COUNSEL (EDC-ESCA)	100,000	100,000	-	
ESCA/REGULATORY RESPONSE/ QUALITY ASSURANCE	460,000	460,000	-	
FINANCIAL CONSULTANT	25,000	25,000	-	
LEGISLATIVE SERVICES CONSULTANT	43,000	43,000	-	
PUBLIC INFORMATION/OUTREACH	20,000	20,000	-	
HCP CONSULTANTS	150,000	150,000	-	
FORA Sunset/Transition	50,000	50,000	-	
REUSE PLAN IMPLEMENTATION	150,000	150,000	-	
CIP/ARCHITECTS & ENGINEERS	750,000	-	(750,000)	Reclassified to CIP to match CIP budget classification
ECONOMIC DEVELOPMENT	85,500	85,500	-	
PW WAGE CONSULTANTS	75,000	75,000	-	
OTHER CONSULTING/CONTRACTUAL EXP	30,000	30,000	-	
<b><u>TOTAL CONTRACTUAL SERVICES</u></b>	<b>2,312,500</b>	<b>1,562,500</b>	(750,000)	
<b><u>CAPITAL PROJECTS</u></b>				
TRANSPORTATION/OTHER CIP PROJECTS	8,543,796	9,293,796	750,000	Reclassification of CIP Architects & Engineers
BUILDING REMOVAL	3,750,000	3,750,000	-	
<b><u>TOTAL CAPITAL PROJECTS</u></b>	<b>12,293,796</b>	<b>13,043,796</b>	750,000	
<b><u>TOTAL EXPENDITURES</u></b>	<b>18,340,686</b>	<b>24,626,846</b>	6,286,160	