



Fort Ord Reuse Authority

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BOARD OF DIRECTORS BOARD MEETING

Friday, July 13, 2012 at 3:30 p.m.

910 2nd Ave, Marina (Carpenter's Union Hall)

Minutes

APPROVED

1. CALL TO ORDER AND ROLL CALL

Chair Potter called the Board Meeting to order at 3:30 p.m.

Voting Members Present:

Chair/Supervisor Potter (County of Monterey)	Supervisor Parker (County of Monterey)
Councilmember Beach (City of Carmel by the Sea)	Nick Chiulos (County of Monterey)
1 st Vice Chair Mayor Edelen (City of Del Rey Oaks)	Councilmember Kampe (City of Pacific Grove)
Mayor ProTem O'Connell (City of Marina)	Mayor Donahue (City of Salinas)
Councilmember Brown (City of Marina)	Mayor Pendergrass (City of Sand City)
Councilmember Selfridge (City of Monterey) @ 3:40 p.m.	Mayor Bachofner (City of Seaside) @ 3:50 p.m.
	Councilmember Oglesby (City of Seaside)

Absent:

Supervisor Calcagno (County of Monterey), Mayor Burnett (City of Carmel-by-the-Sea)

Ex-Officio Members Present:

Congressman Farr (17 th Congressional District) @ 4:10 p.m.	Hunter Harvath (Monterey-Salinas Transit) @ 3:40 p.m.
Nicole Charles (27 th State Assembly District)	Debbie Hale (Transportation Agency of Monterey County)
Graham Bice (University of California)	COL Clark (US Army) @ 3:40 p.m.
Justin Wellner (CSUMB) @ 3:35 p.m.	Gail Youngblood (Fort Ord BRAC Office)
Vicki Nakamura (MPC) replaced by Dr. Garrison @ 3:35 p.m.	Howard Gustafson (Marina Coast Water District)

2. PLEDGE OF ALLEGIANCE

Chair Potter led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

Assistant Executive Officer Steve Endsley stated that Item 5c had been pulled from the Agenda and that one of the cases agendized under Item 10b as anticipated litigation was now existing litigation and so would become Item 10.a.iii. City of Marina vs. Fort Ord Reuse Authority, Case Number M118566.

4. PUBLIC COMMENT

LeVonne Stone, Fort Ord Environmental Justice Network, requested the Board agendize discussion of job creation strategies for the Monterey peninsula.

William Nye spoke in support of the Central Coast Veterans Cemetery project.

A member of the public noted that the meeting was not being video recorded and inquired as to the audio recording of the meeting.

A member of the public spoke regarding the need to maintain open space on the former Fort Ord.

Margaret Davis expressed concerns regarding the procedure for the public to contact Board members and the searchability of the minutes posted on the FORA website.

A member of the public expressed concerns regarding General Jim Moore Boulevard.

A member of the public stated that alternate chairs should be available for the public at Board meetings.

Janet Parks, President of the Central Coast Veterans Cemetery Foundation, requested that the Board continue their support of the veterans cemetery project.

A member of the public stated that FORA employees should be held accountable for misused funds and inquired as to the disposition of Preston Park.

5. CONSENT AGENDA

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|--|--------------------------|
| a. June 8, 2012 FORA Board Meeting Minutes | ACTION |
| b. Auditor Contract – Termination/Renewal | ACTION |
| c. Preston Park Broker Advisor Services Contract | ACTION |
| d. June 8, 2012 Tort Claim filed Against FORA by Keep Fort Ord Wild | ACTION |

Supervisor Parker requested removal of Item 5d from the Consent Agenda. Councilmember Brown stated that page Item 9d should be amended to include his no vote.

MOTION: Mayor Edelen moved, seconded by Councilmember Oglesby, and the motion passed unanimously to approve Item 5a, as amended, and Item 5b.

d. June 8, 2012 Tort Claim filed Against FORA by Keep Fort Ord Wild

Supervisor Parker stated that proof should be provided that the FORA Auditor had cleared the expenses listed in the KFOR claim prior to rejection of the claim. Authority Counsel Jerry Bowden explained the tort claim rejection process. Members of the Board discussed the process for responding to tort claims and Mr. Endsley described the steps already under way to investigate the allegations listed in the claim.

MOTION: Mayor Edelen moved, seconded by Mayor Donahue, and the motion failed to deny the claim.

MOTION FAILED (second vote required): Ayes: Mayor Edelen, Mayor Donahue, Chair Potter, Councilmember Oglesby, Councilmember Brown, Councilmember Beach, Mayor Pro-Tem O’Connell, Mayor Pendergrass, Mayor Bachofner, Nick Chiulos, Councilmember Kampe. Noes: Councilmember Selfridge, Supervisor Parker.

6. OLD BUSINESS

a. Preston Park FY 2012/13 Budget

Senior Planner Jonathan Garcia provided a history of Preston Park and answered questions from the Board. The Board requested clarifications from Alliance staff regarding the calculations provided in the Board packet materials. Alliance staff provided explanations for the figures discussed, but stated that some of the questions would need to be investigated and explanations provided at a later date.

Paula Pelot discussed the current calculations, as well as the corrections made from the June 8, 2012 documents.

Denise Turley inquired as to the existence of a FORA anti-bullying policy, opposed cost of living increases for FORA staff, and discussed grievances against Alliance.

Ms. Stone discussed the need to keep Preston Park affordable for low income families.

A member of the public stated FORA should deed Preston Park to the City of Marina.

MOTION: Mayor Edelen moved, seconded by Councilmember Oglesby, and the motion passed unanimously to approve the Preston Park Operating budget, deferring approval of the Capital Expenditure Budget and any action on a rental increase until all issues were resolved.

b. FORA FY 2012-13 Preliminary Budget – 2nd Vote

Mr. Endsley presented the item, explaining that the current meeting was not being televised due to the fact that the FY 2012-13 Budget, which would provide authority for such expenditures, had not yet been approved.

Supervisor Parker asked whether, given the pending lawsuit from the City of Marina, staff planned to develop an alternative budget, which did not include revenue from the sale of Preston Park. Mr. Endsley replied that if the sale were delayed, staff would likely present an adjustment in the mid-year budget.

MOTION: Mayor Edelen moved, seconded by Mayor Pendergrass, to approve the Fiscal Year 2012/13 budget with a 2% cost-of-living salary increase.

Mayor Bachofner spoke in opposition to a 2% cost-of-living increase for FORA staff.

VOTE: Ayes: Mayor Edelen, Mayor Pendergrass, Chair Potter, Nick Chiulos. Noes: Councilmember Beach, Mayor Pro-Tem O'Connell, Councilmember Brown, Councilmember Selfridge, Supervisor Parker, Mayor Kampe, Mayor Donahue, Mayor Bachofner, Councilmember Oglesby.

MOTION: Mayor Bachofner moved, seconded by Mayor Donahue, and the motion passed unanimously to approve the Fiscal Year 2012/13 budget with no cost-of-living salary increase.

c. Ord Community Water and Wastewater Systems Proposed Budgets and Rates for FY 2012/13

i. Presentation by FORA

Mr. Garcia presented a history of the Ord Community water and wastewater rates and rate increases, and he discussed the procedure for FORA review and approval of Marina Coast Water District (MCWD) budget.

ii. Presentation by Marina Coast Water District

Kelly Cadiante, MCWD, provided an overview of the proposed Ord Community Water and Wastewater Budget and Carl Niizawa, MCWD Deputy General Manager/District Engineer, discussed the CIP Planning Budget.

- iii. Resolution Nos. 12-6 and 12-7 Adopting a Compensation Plan and Setting Rates, Fees and Charges for Base-wide Water and Sewer Services on the former Fort Ord**
MCWD Staff responded to the Board's inquiries regarding MCWD plans for annexation of areas on the former Fort Ord, the process for including rate payers in the FORA Water and Wastewater Oversight Committee (WWOC) review of the Ord Water and Wastewater budgets, past rate increases, current budget calculations, and the nature of \$7.6 million listed as a loan to the Regional Project.

Ms. Pelot, Preston Park Tenants Association, expressed frustration with the delay in annexing areas of the Ord Community, stating that Preston Park residents currently had no political representation on the MCWD Board.

Ms. Stone discussed past legal dealings with the Marina Coast Water District.

A member of the public expressed concerns regarding the amount of money spent by MCWD on lawyers and consultants.

Ms. Turley inquired as to why MCWD offered no program for low income customers and discussed the Proposition 218 process.

Ken Nishi, MCWD Board of Directors, addressed concerns regarding rate increases. Kelly Cadiente, MCWD, stated MCWD could investigate how other public utilities dealt with discounted rates for low income customers during their upcoming rate study. Howard Gustafson, MCWD Chair, discussed the annexation process.

Mayor Bachofner urged MCWD to investigate ways of increasing efficiency.

Councilmember Brown suggested that MCWD move forward with annexation in a timely manner. Councilmember Oglesby agreed and stated FORA need to take a stronger position in favor of annexation.

Supervisor Parker discussed the need for proper scheduling of infrastructure and development projects to avoid reliance on the ratepayers to fund infrastructure in advance of development revenue. She suggested that the FORA WWOC consider this during next year's CIP review. Justin Wellner agreed, noting that CSUMB was concerned about future rate increases.

MOTION: Mayor Edelen moved, seconded by Chair Potter, to:

- 1. Receive presentations from FORA and MCWD staff;**
- 2. Approve Resolutions 12-6 and 12-7 adopting a compensation plan and setting rates, fees and charges for former Fort Ord base-wide water and sewer services, with the addition of language stating that "no additional Ord Community resources should be used to further the Regional Desalination Project unless expressly authorized by the FORA Board" and removal of the \$42,000 allocation to the Regional Desalination Project included in the proposed budget;**
- 3. Direct the WWOC to look at future CIPs to ensure that expenditures are facilitating new development as it occurs in an appropriate manner;**
- 4. Encourage MCWD staff to expedite the annexation process.**

Councilmember Beach suggested the inclusion of timelines in the motion.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF MAKER AND SECONDER: agendize informational item to outline the process for annexation for the August 10, 2012 Board meeting.

Mayor Bachofner asked whether the motion included approval for setting aside 2% of current salaries for potential future salary increases, dependent upon the results of the upcoming salary survey. Mayor Edelen confirmed that it did.

VOTE (second vote required): Ayes: Councilmember Beach, Mayor Edelen, Chair Potter, Supervisor Parker, Nick Chiulos, Councilmember Kampe, Mayor Donahue, Councilmember Oglesby. Noes: Mayor Bachofner, Councilmember Brown, Mayor Pro-Tem O'Connell, Councilmember Selfridge, Mayor Pendergrass.

MOTION: Mayor Bachofner moved, seconded by Councilmember Oglesby, and the motion passed unanimously to continue the meeting past 5:30 pm.

d. Base Reuse Plan Reassessment Contract Amendment #2

Mr. Garcia presented the item, explaining the purpose of the contract amendment.

MOTION: Mayor Edelen moved, seconded by Mayor Bachofner, to authorize the Executive Officer to execute a Base Reuse Plan reassessment contract Amendment #2 with EMC Planning Group, Inc.

INCORPORATED INTO THE MOTION WITH CONSENT OF THE MAKER AND THE SECONDER: reclassify "analysis of potential fiscal health of one or more of the individual jurisdictions" as a mandatory task.

Councilmember Oglesby emphasized the need to ensure all special interest groups the same degree of access and participation in the process. Several Board members stated they had received input that the previously held workshops were too heavy on presentation and did not allow enough time for public comment.

VOTE: unanimously approved

e. Capital Improvement Program Review – Phase II Study

i. Resolution 12-5 to Adopt a Formulaic Approach to Development Fees

ii. Amendment #1 to FORA Jurisdiction's Implementation Agreements

iii. EPS Contract Amendment #5

Mr. Endsley provided an overview of the formulaic approach, noting that the item had been vetted over the previous 3 months by the Administrative Committee. Mr. Garcia explained the staff recommendations.

Jamie Gomes, Economic and Planning Systems (EPS), presented a history of the phase II work by EPS and described the purpose and application of the formulaic approach.

The Board inquired as to FORA's ability to provide funding for the veterans cemetery, FORA's continuing ability to meet its obligations, the timeline for completion of the Phase II Study, and the land sale revenue calculations included in the applied formulaic approach.

Ms. Stone inquired as to the disposition of the regional reuse plan and discussed the urgent needs of the community.

Ralph Rubio requested the Board perform an analysis of the historical tax increment contributions in order to create more equitable distribution among the jurisdictions.

Jan Shriner spoke in opposition to a reduction in development fees.

A member of the public inquired as to whether a reduction in the fees would affect the ability of low/moderate income individuals to purchase homes.

Some Board members expressed concerns regarding the fact that the item had not been previously reviewed by the Board.

Chair Potter noted that the item had been previously reviewed by the Executive Committee. Mayor Bachofner agreed and spoke in support of the formulaic approach. Chair Potter stated the item was somewhat time sensitive, as its approval/rejection could affect the passage of AB 1614.

Supervisor Parker stated that moving too quickly would be disservice to tax payers that could be saddled with costs that should have been covered by developer fees.

MOTION: Mayor Edelen moved, seconded by Councilmember Selfridge, to authorize the Executive Officer to execute contract Amendment #5 with EPS to complete the Phase II Study in FY 2012/13, not to exceed additional budget authority of \$60,000, and direct staff to return all items relating to the implementation of a formulaic approach to establishing developer fees to the Board in 30 days.

Councilmember Kampe inquired as to the relationship between the item and AB 1614. Chair Potter indicated there were some legislators who had been willing to support the legislation on the condition that FORA address the issue of uncertainty with regards to development fees.

VOTE: unanimously approved

7. NEW BUSINESS

a. Ratify Appointment of Reimbursement Expense Ad Hoc Committee

Councilmember Kampe stated that on July 18, 2012, the Pacific Grove City Council was scheduled to consider whether to discontinue its participation in FORA. For this reason, he felt that the Board should appoint an alternate member to the Ad hoc Committee.

Mayor Edelen briefly reviewed the Committee's intended approach, which emphasized inclusion and transparency. They intended to speak with all key players and to present all findings to the Board.

MOTION: Supervisor Parker moved, seconded by Councilmember Brown, to ratify the Executive Committee's appointment of Mayor Edelen and Councilmember Kampe to the Expense Reimbursement Ad hoc Committee with Councilmember Oglesby as alternate and to authorize Committee selection/contract of a special auditor.

Ms. Pelot stated the Committee should include a member of the public. Ms. Stone agreed with Ms. Pelot.

A member of the public expressed concern that the Board did not routinely respond to the public's comments and stated the public should have Board voting rights.

VOTE: unanimously approved

8. EXECUTIVE OFFICER'S REPORT

- a. Administrative Consistency Determination For Entitlement: Marina's Rockrose Gardens Assisted Living Project
- b. Outstanding Receivables
- c. Administrative Committee
- d. Distribution of FY 2012/13 through 2021/22 Capital Improvement Program
- e. Habitat Conservation Plan
- f. Executive Officer's Travel

MOTION: Councilmember Oglesby moved, seconded by Supervisor Parker, and the motion passed unanimously to receive the Executive Officer's report without exception.

9. ITEMS FROM MEMBERS

None

10. CLOSED SESSION

- a. Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – Two Cases
 - i. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M116438
 - ii. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M114961
 - iii. The City of Marina v. Fort Ord Reuse Authority, Case Number: M118566
- b. Conference with Legal Counsel - Anticipated Litigation, Gov Code 54956.9(b) – One Case

A member of the public inquired as to the closed session item regarding the Tort Claim received from Keep Fort Ord Wild. Authority Counsel Bowden stated the item would not be discussed due to time constraints, but would be considered at the July 26, 2012 meeting.

The Board convened into closed session at 7:05 p.m. and reconvened into open session at 7:24 p.m.

11. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

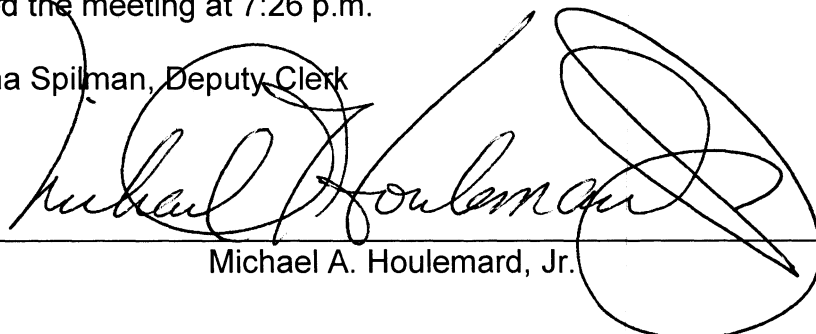
Authority Counsel announced that the Board had authorized additional expenditures for each of the three existing litigation cases.

12. ADJOURNMENT

Chair Potter adjourned the meeting at 7:26 p.m.

Minutes prepared by Lena Spilman, Deputy Clerk

Approved by:



Michael A. Houlemard, Jr.