



APPROVED

FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING MINUTES
2:00 p.m., Friday, August 9, 2019 | Carpenters Union Hall
910 2nd Avenue, Marina, CA 93933

1. CALL TO ORDER

Chair Supervisor Jane Parker called the meeting to order at 2:01 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Steve Matarazzo.

3. CLOSED SESSION

- a. Conference with Legal Counsel – Gov. Code §54956.9(a), (d)(1): Marina Community Partners, LLC v. Fort Ord Reuse Authority, Monterey County Superior Court Case No.: 18CV000871, Pending Litigation.
- b. Conference with Legal Counsel - Potential Litigation, Gov. Code §54956.9(d).
- c. Conference with Labor Negotiators – Government Code section 54957.6.
Agency designated representatives: Michael A. Houlemard, Jr., Eduardo Ochoa, Jane Parker.

**Authority Counsel advised that Item 3c subject matter was addressed in the Special Meeting. Item 3c will be removed from this agenda.*

**Chair Parker asked if any members of the public wish to comment on the items that will be discussed in closed session.*

Director O'Connell, speaking as a member of the Public and not as Board Member, had several questions pertaining to closed session item 3a which he requested to have on the record:

- 1) *Has FORA decided to not amend the cross complaint?*
- 2) *Has FORA decided to move to dismiss the case as it relates to the City of Marina?*
- 3) *If in fact the case is not settled, what is the likelihood of the September hearing date having to be continued?*

Authority Counsel advised that these questions are a matter of strategic attorney-client privilege information. He also noted that there is a conflict, as Mr. O'Connell is a member of the City of Marina City Council, and is not entitled to such information. The item will be addressed in closed session.

Time Entered: 2:04 p.m.

Time Exited: 2:27p.m.

4. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

Authority Counsel, Jon Giffen, announced the following:

- **Item 3a;** The Board heard from Counsel on the status. The Board gave direction to Counsel.

- **Item 3b;** The Board heard from Counsel on the status. Nothing to report.
- **Item 3c;** This item was removed from the agenda.

5. ROLL CALL

Voting Members Present:

Supervisor Jane Parker (County of Monterey), Supervisor John Phillips (County of Monterey), Supervisor Mary Adams (County of Monterey), Councilmember John Gaglioti (City of Del Rey Oaks), Councilmember Frank O'Connell (City of Marina), Councilmember Lisa Berkley (City of Marina), Councilmember Ed Smith (City of Monterey), Mayor Ian Oglesby (City of Seaside), Councilmember Jon Wizard (City of Seaside), Mayor Joe Gunter (City of Salinas), Councilmember Jan Reimiers (City of Carmel-by-the-Sea), Councilmember Cynthia Garfield (City of Pacific Grove)

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

Kathleen Lee (20th Congressional District), Mike Zeller (TAMC), Steve Matarazzo (University of California, Santa Cruz), Colonel Gregory Ford (United States Army), Dr. Matt Zefferman (Marina Coast Water District), Andre Lewis (California State University Monterey Bay), Bill Collins (BRAC), David Martin (MPC), Dr. Matt Zefferman (Marina Coast Water District)

6. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

Executive Officer Michael A. Houlemard, Jr. announced the following:

- Senate Bill ("SB") 189 will be heard August 14, 2019 in the Assembly Appropriations Committee.
- The California Central Coast Veterans Cemetery ("CCCVC") Environmental Impact Report ("EIR") is complete. Nine contactors showed up for the pre-bid conference for the next phase of construction on the cemetery which will include in-ground burials.
- The Habitat Conservation Plan ("HCP") is under review by the U.S. Fish and Wildlife Service, all documents have been completed and submitted and it is expected to publish in late September, early October.

7. CONSENT AGENDA

- a. Approve July 12, 2019 Meeting Minutes
- b. Administrative Committee
- c. Veterans Issues Advisory Committee
- d. Water/Wastewater Oversight Committee
- e. FY 2018-19 Annual Report
- f. Public Correspondence to the Board

Chair Parker introduced the consent agenda items and asked if any Board members had any comments or items to pull for discussion.

Motion: On motion by Board member O'Connell and seconded by Board member Phillips and carried by the following vote, the Board moved to approve the consent agenda.

MOTION PASSED UNANIMOUSLY

8. BUSINESS ITEMS

- a. **Executive Officer Contract Amendment – 2nd Vote**

Chair Parker introduced the item. Authority Counsel noted the approved amendments have been incorporated into the amended Executive Officer employment agreement. Counsel responded to questions from the Board.

MOTION: On motion by Board member Ochoa and second by Board member Oglesby and carried by the following vote, the Board moved to approve: 1) 20 additional days of management leave be provided for this extension; 2) A flexible work schedule to allow the Executive Officer to reduce the commute time and work remotely. The flexible schedule would consist of 2 days a week physically present in the FORA office and the remaining to work from a remote location; 3) Reimbursement of Medicare Part B Premium until June 30, 2021; which are amendments to the existing contract and include a contract performance evaluation next month.

Roll Call Vote: (8 AYES; 3 NOES; 1 ABSTENTION) **Motion Passed by Majority**
2nd Vote

<i>Item 8a: Motion</i>			
<i>Director Parker</i>	<i>NO</i>	<i>Director Reimers</i>	<i>AYE</i>
<i>Director Gunter</i>	<i>AYE</i>	<i>Director Smith</i>	<i>AYE</i>
<i>Director O'Connell</i>	<i>NO</i>	<i>Director Gaglioti</i>	<i>AYE</i>
<i>Director Berkley</i>	<i>NO</i>	<i>Director Wizard</i>	<i>AYE</i>
<i>Director Adams</i>	<i>Abstention</i>	<i>Director Oglesby</i>	<i>AYE</i>
<i>Director Phillips</i>	<i>AYE</i>	<i>Director Garfield</i>	<i>AYE</i>
<i>Director Carbone</i>	<i>ABSENT</i>		

b. Building Removal Financing Recommendation

Executive Officer, Michael A. Houlemard, Jr., introduced the item. Project Manager, Peter Said, provided a brief presentation. He outlined NHA Advisors Scope of Work, which is broken down into three (3) phases: Phase 1 – Legal Analysis; Phase 2 – Quantitative Analysis; and Phase 3 - Implementation of the Bond Financing. Mr. Said reviewed the actions necessary to move forward in the bonding process, defining the preparatory work to be completed by each consultant. Economic Planning Systems, Inc. (“EPS”), is to prepare a Fiscal Consultant Report and NHA Advisors will need to identify the percentage of Public Right of Way for each removal area; establish the prioritization process for fund allocation; establish an amendment methodology; and an invoicing and payment methodology. In addition, Stradling, Yocca, Carlson & Rauth (“SYCR”), were selected to prepare the “Official Statement” disclosure documents and prepare Standard and Poor’s Credit package for bond insurance. Staff, and Mark Northcross of NHA Advisors, responded to questions from the Board.

**Director Gaglioti noted for the record that a \$54,000 loss is not a small amount for the City of Del Rey Oaks. It is however, the commitment of the City of Del Rey Oaks to the region, and specifically the City of Seaside and Marina, that taking a few thousands of dollars loss for 30 years to help the effort to remove the blight/buildings is very much worth it.*

**Director Wizard noted, for the record, MPUSD services the majority of the students who are represented by this Board, with the expectation of Salinas, would not benefit from this bond as they are funded through child attendance and not property tax revenue.*

Ron Chesshire of the Monterey Santa Cruz Building Construction Trades Council stated blight has been used as a tool to stop economic development on the former Fort Ord. It has been used by groups and individual that don't want to see movement forward.

Monterey County Regional Fire District – East Garrison Deputy Fire Chief David Sargenti noted that the East Garrison Fire Station was opened in May of 2018 and services the neighborhoods of East Garrison, as well as the regional area. The District does support the removal of the buildings for the next phases of development. However, the District can't support it if there is any degeneration of funding sources. The District is fully funded by property taxes. Mr. Sargenti requested that the loss of revenue issue be resolved and not just worked through. He thanked the Board for the consideration.

MOTION: On motion by Board member Gunter and second by Board member Smith and carried by the following vote, the Board moved to approve: Authorize all necessary preparatory work to issue bonds for building removal and approve Executive Officer to: move forward with the draft schedule presented by NHA Advisors; approve a Fiscal Consultant's Report from EPS not-to-exceed \$40,000; approve NHA Advisors as the Municipal Advisor and SYCR as bond Counsel for an amount not-to-exceed \$200,000, plus \$65,000 contingency; work with the County and jurisdictions on post-FORA administration; secure jurisdictional support for the proposed schedule; and work with Monterey County Regional Fire District on revenue loss related issues.

Director Adams requested to make a friendly amendment to the motion to strengthen the language to a guarantee replenishment of funds to ensure the Monterey County Regional Fire District doesn't have loss in revenue.

Motion Passed by Majority (10 AYES; 2 NOES;) 2nd Vote Required

c. Consultant Services Contract Extensions/Amendments

Mr. Houlemard introduced the item and noted based on the action taken on item 8b, the EPS contract amendment would need to be modified to remove the financial consultant report. Planning and Economic Development Manager, Josh Metz, provided a presentation outlining the need to authorize the Executive Officer to execute consultant services contract extensions/amendments. Mr. Metz advised the Board that FORA has seen six key staff members depart due to retirement and/or taking new positions outside of FORA. Additional consultant services are needed to support remaining staff and to ensure completion of ongoing projects and transition to dissolution. Mr. Metz led the Board through a review of each consultant's scope of work, recent amendments and the current staff recommendation. Staff responded to questions and comments from the Board.

MOTION: On motion by Board member Reimers and second by Board member Gaglioti and carried by the following vote, the Board moved to authorize the Executive Officer to execute Consultant Services Contract Extensions/Amendments as written.

MOTION PASSED UNANIMOUSLY

d. 2018 Transition Plan and Implementing Agreement Progress Report

Mr. Houlemard introduced the item. Regional Government Services ("RGS") Director Kendall Flint, provided a brief update summarizing the progress of the implementing agreements. She noted that the initial draft agreements have been completed. Mrs. Flint has received additional

comments from the Monterey County and LAFCO staff. Once the Legislative process on Senate Bill (SB) 189 is passed, or not, the updated Implementing Agreement will be released for public review. Mrs. Flint noted going forward they will be working closely with the Administrative Committee on the Joint Powers Agreement formation that will oversee habitat conservation upon dissolution of FORA, as well as the agreements with Marina Coast Water District for water augmentation and ESCA for long-term maintenance of the ESCA properties. Mrs. Flint reviewed the 5-step process for the ESCA agreement and what is expected. Mrs. Flint and staff responded to questions and comments from the Board.

This Item was for information only.

e. Special District Risk Management Authority Board of Directors Election

Mr. Houlemard introduced the item, and reminded the Board he has given a couple presentations on the item in the past, providing the background information. The Board has not indicated a desire to vote one way or another and staff is happy to proceed as the Board chooses.

MOTION: On motion by Board member Wizard and second by Board member Gunter and carried by the following vote, the Board moved to postpone item 8e Special District Risk Management Authority Board of Directors Election indefinitely.

MOTION PASSED UNANIMOUSLY

9. PUBLIC COMMENT

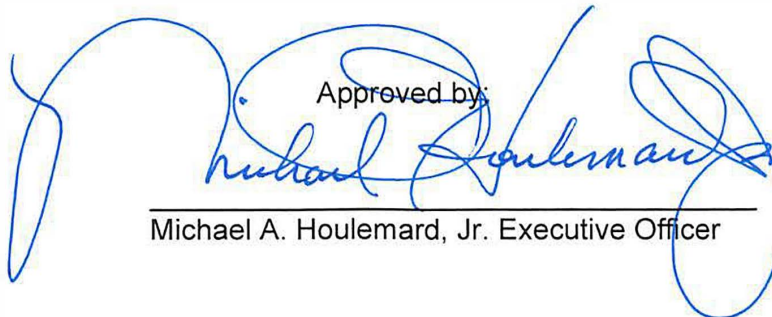
None.

10. ITEMS FROM MEMBERS

None.

11. ADJOURNMENT at 4:23 p.m.

Minutes Prepared by:
Heidi L. Lizarbe
Deputy Clerk

Approved by:


Michael A. Houlemard, Jr. Executive Officer