

MINUTES
of the
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Fort Ord Reuse Authority Conference Facility/Bridge Center
June 12, 2009

1. CALL TO ORDER AND ROLL CALL AT 3:00 P.M.

Chair Ralph Rubio called the regular meeting of the Fort Ord Reuse Authority to order at 3:03 p.m. on Friday, June 12, 2009 and requested a roll call.

Voting members present:

Chair/Mayor Rubio (City of Seaside)	Supervisor Potter (County of Monterey)
Mayor McCloud (City of Carmel)	Mayor Russell (City of Del Rey Oaks)
Councilmember Gray (City of Marina)	Councilmember Oglesby (City of Seaside)
Councilmember Kampe (City of Pacific Grove)	Mayor Pendergrass (City of Sand City)
Jim Cook (alternate for Supervisor Calcagno)	

Arriving after the roll was called were 2nd Vice Chair/Councilmember Dave McCall (City of Marina), Supervisor Jane Parker (Monterey County), and Councilmember Janet Barnes (City of Salinas). Absent was Councilmember Nancy Selfridge (City of Monterey).

Ex-Officio members present:

An McDowell (27 th State Assembly District)	Jim Main (CSUMB)
Dr. Douglas Garrison (Monterey Peninsula College)	Debbie Hale (TAMC)
Pamela von Ness (U.S. Army)	Bill Collins (BRAC)
Kenneth Nishi (Marina Coast Water District)	

Arriving after the roll call were Alec Arago (17th Congressional District) and Graham Bice (UC Santa Cruz). Mike Gallant represented Monterey-Salinas Transit at the board table. Absent were representatives from the 15th State Senate District and Monterey Peninsula Unified School District.

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

2. PLEDGE OF ALLEGIANCE

Chair Rubio asked Councilmember Bill Kampe, who agreed, to lead the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS

Chair Rubio welcomed Seaside alternate Ian Oglesby and BRAC alternate Bill Collins. He also announced that the CSU Board of Trustees had approved and executed the Memorandum of Understanding ("MOU") with FORA regarding academic buildings and payment of deficit period costs and reported that CSUMB's first deficit mitigation payment in the amount of \$500,000 had been presented to FORA staff. Jim Main, the CSUMB representative, thanked those who had supported CSUMB's Master Plan and the MOU, including those who had traveled to the CSU

Board of Trustees' meeting in Long Beach to voice their support of these documents and the campus. He reported that a Notice of Determination had been filed with the California Secretary of State and no comments had been received to date. Executive Officer Houlemard reported that ESCA Change Order #2, which caused FORA to borrow \$3 million, had resulted in a \$300,000 return of unused funds, which FORA will use to reduce its indebtedness.

4. LEGISLATIVE SESSION PRESENTATIONS

(1) Chair Rubio introduced Bill Ritz, who was representing Senator Jeff Denham (12th State Senate District). Mr. Ritz stated that the senator's number one priority was the budget, which hopefully will be balanced and approved on/before June 30, 2009. He provided summaries of the senator's five bills that were still moving through the legislative process: SB 121 (rural crime prevention program extension), SB 132 (qualifications and certifications for sleep technicians and trainees), SB 644 (an increase of veterans' preference points on state service examinations), SB 645 (authorizing CA public higher institutions to establish training programs at military facilities), and SB 130 (\$5M emergency loan to King City Joint Union High School District and the temporary takeover by the Superintendent of Public Instruction). As chair of the Senate Veterans' Committee, Senator Denham has also co-authored SB 851 with Senator Cogdill, which creates the National Guard education assistance program.

(2) J. R. Della Rosa represented Assemblymember Anna Caballero (28th State Assembly District). Mr. Della Rosa distributed a handout of the assembly member's 2009-10 legislation, which he said were grouped in six categories: agriculture, district, investing in California, government efficiency, water bills and resolutions. He focused his presentation on the following bills: AB 494 (a zoning change to allow farm worker housing to be built on agricultural properties), AB 644 (converting Monterey-Salinas Transit from a Joint Powers Authority to a Transportation District, which would allow it to sell bonds), and AB 300 (a water conservation bill).

(3) An McDowell represented Assemblymember Bill Monning (27th State Assembly District). Ms. McDowell reported that none of Mr. Monning's legislation was truly germane to FORA, but she mentioned several bills, one establishing a beneficial partnership with Monterey Bay Aquarium, another related to mechanics liens, and a third providing teacher training in problem solving and conflict resolution. She said that the assembly member is serving on seven committees, including one of the budget committees. Noting the estimated \$25B budget deficit, she stated that Mr. Monning is committed to providing a safety net for the most vulnerable citizens. Supervisor Potter expressed concern about the proposed closure of the California State Parks, eighteen of which are located in Monterey County, which depends on the revenues generated by park visitors. He raised the possibility of the County, and possibly other jurisdictions, assuming operation of these parks. He urged creative, out-of-the-box thinking in order to keep the state parks open. Ms. McDowell responded by saying Mr. Monning was very aware of the negative impact such closures would have, particularly to the Monterey and Big Sur economies. Mayor McCloud concurred and commented that 60-70% of Carmel's budget is derived from tourism. Mr. Ritz said that Senator Denham had also received numerous calls and emails on the park closure issue and said "We are listening" and "your opinions are important at this time." Councilmember Barnes said she was adamantly opposed to any cuts to local governments. Chair/ Mayor Rubio urged the legislators not to compound the jurisdictions' fiscal problems by taking "our" funds and "creating a problem we can't get out of."

(4) Alec Arago represented Congressman Sam Farr (17th Congressional District). He said that Executive Officer Houlemard's recent testimony before a House subcommittee on the BRAC process had been instrumental in Mr. Farr's introducing language in HR 2295, a FY 2010 bill. Reforms related to designating no-cost Economic Development Conveyances as the primary land

transfer process, extending military partnerships with the local communities for necessary services, and requiring the Department of Defense to maintain adequate funding for bases already closed (legacy bases) are part of that bill. Mr. Arago said Congressman Farr is working on, or supporting, other FY 2010 legislation, including a \$3M water bill, which could provide funding for Marina Coast Water District to install a purple water pipe through former Fort Ord to the Monterey Peninsula, an Office of Economic Adjustment grant to provide funding for off-site infrastructure work to keep the Central Coast Veterans Cemetery moving forward, and the joint Veterans Administration/Department of Defense medical clinic. Mr. Farr is also working with Senator Feinstein on several bills, including a fix for Medicare reimbursement levels in Monterey County and other high cost counties, which have not been adjusted since the 1960's. Debbie Hale thanked Mr. Farr for his support of the \$1B transportation stimulus funding bill, which, if not passed, would take many jobs from the economy. Supervisor Potter said taking another look at some of the state initiatives where the impacts were not anticipated, e.g., the 2/3's requirement to pass budgets, bond measures, etc., should be a priority.

(5) Senator Abel Maldonado was not represented, however, his staff had sent a handout of his 2009 legislation, which was distributed.

5. ACKNOWLEDGEMENTS

John Arriaga, FORA's legislative representative in Sacramento, remarked that his contacts in the state legislative offices in Sacramento have been open and helpful in providing information on proposed bills and the status of the state budget. He emphasized that the legislators are listening to their constituents who send opinions about proposed budget cuts and their impacts on local and county governments. He said that "things are not happening in a vacuum." He noted that the Monterey County Legislative Committee encouraged a dialogue concerning the proposal to close, or place in caretaker status, all state parks that are not self-sufficient or do not receive local government financial support. He reported that the strong support to consider other options to keep the parks open resulted in the Conference Committee's decision to postpone voting on this issue. He said "things are very fluid in Sacramento now" but the State must have a balanced and approved budget by June 30th or face severe financial consequences.

6. PUBLIC COMMENT PERIOD

John Fischer from Pacific Grove made comments about the impact of the possible closure of Monterey County's state parks and focused on the huge loss of tourist dollars to the local economy. James Bogan, a member of the Central Coast Veterans Cemetery Foundation Board, read a letter from the Foundation President, Janet Parks, that expressed appreciation for the recent MOU between the County, FORA, and the City of Seaside to move forward with the disposition of land and securing endowment funds, which will allow the State to submit a grant to the federal government for construction of, and also preparation of final architectural design work, of the cemetery.

7. CONSENT AGENDA

There were three items on the Consent Agenda: Item 7a (May 8, 2009 board meeting minutes), Item 7b (Preston Park Budget for FY 2009-10), and Item 7c (Authorization to apply for and accept grant funds from the Office of Economic Adjustment to support Veterans Cemetery Infrastructure Planning). There were no board or public comments. **Motion to approve Items 7a, 7b and 7c was made by Mayor Russell, seconded by Supervisor Potter, and carried.**

It was 4:15 p.m., the time certain to adjourn to Closed Session. After discussion, a **motion to continue with the agenda items in their order on the agenda was made by Mayor McCloud, seconded by Supervisor Potter, and carried.**

8. OLD BUSINESS

Item 8a – Refinance/consolidation loan with Rabobank: Executive Officer Houlemard gave a brief PowerPoint presentation covering the purpose and uses of the Preston Park loan, the summary points of the loan, the next steps in the process, and the requested board action, which was a two-part recommendation to: (1) authorize the Executive Officer to execute financing documents with Rabobank, and (2) limit the borrowing amount to FORA's 50% share of the income from Preston Park. The final slide was Marina's recommendation that the FORA Board authorize the Executive Officer to submit the loan application, but not finalize the loan, and also continue to negotiate a buy-out of Preston Park by the City of Marina. Mr. Houlemard stated that the loan proceeds would provide the grant match for the \$6.426M grant to which FORA has been invited to submit an application to the Office of Economic Adjustment ("OEA"). If awarded, the funding will finance the extension of General Jim Moore Boulevard, one of FORA's basewide obligations. Mr. Houlemard also emphasized that FORA must have a letter of commitment from Rabobank and OEA must receive FORA's match commitment by June 24th. The loan, however, can fund after that date. He said the property appraisal is not expected for another three weeks and that will determine how a buy-out can be approached. Board members asked a number of clarifying questions and discussed Marina's issues at length.

Chair/Mayor Rubio suggested moving ahead with the loan initiation authorization now and recommended that an ad hoc subcommittee consisting of three FORA board members and two Marina representatives be formed to resolve Marina's remaining issues. He named Supervisor Potter, Councilmember Kampe, two Marina appointees and himself to serve on this committee. **A motion was made by Supervisor Potter and seconded by Mayor McCloud to approve setting up the ad hoc subcommittee consisting of the afore-mentioned members to address Marina's issues and to authorize formal application for the loan, moving ahead as quickly as possible. This motion was amended several times and the amendments to the final motion were as follows: (1) authorize the Executive Officer to extend FORA borrowing with Rabobank to secure matching funds to complete construction of the General Jim Moore Road Improvement Project; (2) limit borrowing to FORA's 50% of the net revenue from Preston Park; (3) form an ad hoc committee consisting of three FORA board members and two Marina council members, who will (4) complete their review of the proposed restructuring with unanimous consent within three days of receiving the letter offer from Rabobank, but no later than June 24, 2009; and (5) determine if FORA's actions would have a negative impact on the City of Marina's 50% interest in the Preston Park Housing Complex.** There were no public comments and **the motion carried.**

Item 8b – FY 09-10 budget

Item 8bi – FORA FY 09-10 Preliminary Budget: Executive Officer Houlemard gave a PowerPoint presentation, which showed a summary of the operating budget, major revenue sources, major expenditures/programs, salaries and benefits, and supplies/consultants for FY 2009-2010, along with the requested board action to approve this budget, which was recommended by FORA staff and the Finance Committee. There were no board or public comments. **A motion to approve the FORA fiscal year 2010 (FY 09-10) preliminary budget was made by Supervisor Potter, seconded by Mayor McCloud, and carried.**

Item 8bii – Capital Improvement Program for FY 2009/10: Executive Officer Houlemard reported that the Capital Improvement Program (“CIP”) Committee and the Administrative Committee had recommended a ninety day extension of the approved 2008/09 CIP before approving the 2009/10 CIP, because further updates to the latter are still anticipated. There were no board or public comments. **Motion to extend the currently adopted FY 2008/09 through 2021/22 Capital Improvement Program through September 2009 was made by Mayor Russell, seconded by Supervisor Parker, and carried.**

Item 8c – Fort Ord Reuse Authority’s 2009 state priority legislation: Executive Officer Houlemard summarized the board report and the positions proposed by the Legislative Committee on the ten bills in the bill track report attached to the board report. Supervisor Parker asked a question about AB 726 before making a **motion to (1) receive the informational report about the bills proposed during the 2009 state legislative session that could have impacts on the redevelopment of former Fort Ord and (2) approve FORA’s positions on the proposed legislation, as recommended by the Legislative Committee and presented in the “Bill Track: Update as of 5/29/09” from JEA & Associates. The motion was seconded by Councilmember Kampe.** There were no public comments, and **the motion carried.**

9. NEW BUSINESS - none

10. EXECUTIVE OFFICER’S REPORT

There were seven items in this report: Item 10a (Administrative Committee report), Item 10b (Legislative Committee report), Item 10c (Finance Committee report), Item 10d (Executive Officer’s travel report), Item 10e (Fort Ord Reuse Authority investments), Item 10f (Status update of outstanding receivables), and Item 10g (Habitat Conservation Plan approval process). Executive Officer Houlemard highlighted several points in these items.

11. ANNOUNCEMENTS AND CORRESPONDENCE

Chair/Mayor Rubio called attention to Assemblymember Bill Monning’s invitation to attend an Artist Reception and Open House from 6:30 – 7:30 p.m. this evening. Monterey County artist Erin Lee Gafill and her work are being featured.

Chair Rubio adjourned the meeting to Closed Session at 5:12 p.m.

12. CLOSED SESSION

Item 12a – PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov. Code §54957), Position: Executive Officer

Authority Counsel Bowden reported out of Closed Session that the voting board members had accepted the Executive Officer’s self-evaluation, approved his 2009-10 goals and recommended that both be presented to the full board.

13. ADJOURNMENT

Chair Rubio adjourned the meeting at 5:26 p.m.

Minutes prepared by Linda Stiehl, Deputy Clerk

Approved by _____
Michael A. Houlemard, Jr., Executive Officer/Clerk