



FORT ORD REUSE AUTHORITY

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FORT ORD REUSE AUTHORITY BOARD OF DIRECTORS REGULAR MEETING MINUTES

Friday, October 10, 2014 at 2:00 p.m.

910 2nd Avenue, Marina, CA 93933 (Carpenters Union Hall)

1. **CALL TO ORDER**

Chair Edelen called the meeting to order at 2:02 p.m.

2. **PLEDGE OF ALLEGIANCE**

Councilmember Brown led the Pledge of Allegiance.

3. **CLOSED SESSION**

The Board adjourned to closed session at 2:03 p.m.

a. **Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – 2 Cases**

i. **Keep Fort Ord Wild v. Fort Ord Reuse Authority (FORA), Case Number: M114961**

ii. **The City of Marina v. Fort Ord Reuse Authority, Case Number: M11856**

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

The Board reconvened into open session at 2:30 p.m. and Authority Counsel Jon Giffen announced no reportable action had been taken.

5. **ROLL CALL**

Voting members present: (**alternates*) (*AR: entered after roll call*)

Chair/Mayor Edelen (Del Rey Oaks)	Mayor Pro-Tem Oglesby (City of Seaside)
Mayor Pro-Tem Beach (City of Carmel-by-the-Sea)	Supervisor Parker (County of Monterey)
Mayor Gunter (City of Salinas)	Mayor Pendergrass (City of Sand City)
Councilmember Lucius (City of Pacific Grove)	Supervisor Potter (County of Monterey)
Councilmember Morton (City of Marina)	Mayor Rubio (City of Seaside)
Councilmember Brown* (City of Marina)	Mayor Della Sala* (City of Monterey)

Absent: Supervisor Calcagno (County of Monterey)

Ex-officio (Non-Voting) Members Present: Nicole Charles* (20th Congressional District), Donna Blitzer (University of California, Santa Cruz), Andre Lewis* (California State University Monterey Bay), Walter Tribley (Monterey Peninsula College), Daniel Diffenbaugh (Monterey Peninsula Unified School District), Lisa Rheinheimer (Monterey Salinas Transit), Debbie Hale (Transportation Agency for Monterey County), COL Fellingner (US Army), Bill Collins (Fort Ord BRAC Office), Director Moore (Marina Coast Water District).

6. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE**

Nicole Charles thanked FORA staff on behalf of Senator Monning for their support of the California Central Coast Veterans Cemetery. Chair Edelen requested that Ms. Charles convey the Board's appreciation to Senator Monning for his ongoing support. Executive Officer Michael Houlemard reported that he had met with Levonne Stone and her representative to discuss her concerns from the last Board meeting.

7. CONSENT AGENDA

a. Approve September 19, 2014 Board Meeting Minutes

MOTION: Mayor Rubio moved, seconded by Supervisor Potter, to approve the consent agenda.

MOTION PASSED UNANIMOUSLY

8. BUSINESS ITEMS

a. Pollution and Legal Liability Insurance Policy

i. Receive Pollution and Legal Liability Insurance Policy Process Update

ii. Authorize the Executive Officer to Select a Pollution and Legal Liability Insurance Policy Provider and Bind Coverage

Mr. Houlemard reported that the current insurance policy was scheduled to expire on December 31, 2014. The policy provides coverage for cleanup, personal injury, property damage, and legal claims regarding pollution on the Environmental Services Cooperative Agreement (ESCA) parcels. The FORA Board previously recommended replacing the existing policy upon expiration. Approximately \$950,000 remains in the ESCA contract for insurance, a portion of which can be used toward the purchase of a new policy.

FORA Special Counsel Barry Steinberg outlined the previous 18-month solicitation process and was assisted by representatives from Marsh Insurance Brokers. Mr. Steinberg emphasized the need for stakeholders to determine how much coverage they wanted for their own jurisdiction/agency and who would be named as first insured upon FORA sunset. He noted that there was no obligation to participate, but that land-holding stakeholders would benefit from FORA secured coverage, rather than purchasing individual policies. He outlined upcoming stakeholder approval deadlines necessary to secure coverage prior to the current policy's December 31st expiration.

MOTION: Councilmember Beach moved, seconded by Supervisor Parker, to authorize the Executive Officer, upon the Joint Coordinated Concurrence of FORA Special Counsel and Insurance Broker, to bind 10-year, \$50 million coverage with Chubb, not-to-exceed a \$2M premium.

MOTION PASSED UNANIMOUSLY

b. Preston Park - Rental Rate Policy Questions

i. Receive a Rental Rate/Policy Presentation

ii. Approve Current Rental Rate Setting Policy/Formula

iii. Approve FY 2014/15 Operating and Capital Improvement Budget

Mr. Houlemard noted that the Preston Park budget was initially presented in spring. The Board took a non-unanimous vote to approve the item in July, which failed on a second vote in August. At that time, the Board requested additional information, which was subsequently provided by Alliance Residential representative Annette Thurman. Ms. Thurman reviewed a PowerPoint Presentation explaining fair market rent, market rate, in-place market rate, competitive properties, resident life cycle, occupancy trends, expenses and capital expenses, capital projects and funding projections.

Principal Analyst Robert Norris outlined the existing agreements impacting rental revenue. He stated that for asset protection and sustainability, a 2.4% rental rate increase is recommended.

MOTION: Mayor Gunter moved, seconded by Supervisor Potter, to 1) approve the current formula and policy being used to set rental rents at the Preston Park, and 2) approve the FY 2014/2015 Operating and Capital Improvement Budget with 2.4% percent rental rate increase.

SUBSTITUTE MOTION: Councilmember Lucius moved, seconded by Supervisor Potter, to

1. approve the current rental rate setting formula with the following amendments:
 - i. expand rental increase notification period from 35 to 60 days,
 - ii. mandate a documented best-faith effort by Alliance Residential to meet with the Preston Park Tenant's Association prior to presentation of the annual budget or proposed rental rate increases.
2. approve the FY 2014/2015 Operating and Capital Improvement Budget with 2.4% percent rental rate increase.

SUBSTITUTE MOTION RECEIVED MAJORITY APPROVAL (2ND VOTE REQUIRED):

Ayes: Beach, Edelen, Gunter, Lucius, Oglesby, Pendergrass, Potter, Rubio, Della Sala.
Noes: Morton, Brown. Absent: Calcagno, Parker.

c. Executive Officer Compensation Adjustment

Mr. Houlemard and Controller Ivana Bednarik responded to Board member questions regarding the Executive Officer's employment contract and previous salary adjustments. The Board discussed the item and requested more detailed information regarding previous salary adjustments.

MOTION: Mayor Rubio moved, seconded by Supervisor Potter, to authorize an 8 percent merit salary adjustment to the Executive Officer's compensation, as recommended by the Executive Committee.

SUBSTITUTE MOTION: Mayor Pro-tem Beach moved, seconded by Councilmember Brown, to continue the item until the requested additional detail could be provided.

SUBSTITUTE MOTION FAILED: Ayes: Beach, Morton, Brown, Parker, Lucius. Noes: Edelen, Gunter, Oglesby, Pendergrass, Potter, Rubio, Della Sala. Absent: Calcagno.

ORIGINAL MOTION RECEIVED MAJORITY APPROVAL (2ND VOTE REQUIRED): Ayes: Edelen, Gunter, Lucius, Oglesby, Pendergrass, Potter, Rubio, Della Sala. Noes: Beach, Morton, Brown, Parker. Absent: Calcagno.

MOTION: At 5:25 p.m. Supervisor Parker moved, seconded by Councilmember Brown, to receive public comment and then adjourn the meeting.

MOTION PASSED UNANIMOUSLY

Chair Edelen noted that items 8d - 8h would be continued to the next Board meeting.

d. City of Del Rey Oaks Land Sales Transaction

i. Land sales Transaction Summary

ii. Del Rey Oaks/FORA Insurance Repayment Agreement Amendment

e. Economic Development Specialist Alternatives

f. Update on Prevailing Wage Compliance

g. Quarterly Environmental Services Cooperative Agreement Update

h. Base Reuse Plan Reassessment Report Categories 1 and 2 Update

9. PUBLIC COMMENT PERIOD

The Board received comments from members of the public.

10. EXECUTIVE OFFICERS REPORT

There was no Board discussion of the Executive Officer's Report.

- a. Outstanding Receivables
- b. Habitat Conservation Plan Update
- c. Administrative Committee
- d. Veterans Issues Advisory Committee
- e. Post Reassessment Advisory Committee
- f. Regional Urban Design Guidelines Task Force
- g. Travel Report
- h. Public Correspondence to the Board

11. ITEMS FROM MEMBERS

None

12. ADJOURNMENT

Chair Edelen adjourned the meeting at 5:35 p.m.