



FORT ORD REUSE AUTHORITY

REGULAR MEETING FORT ORD REUSE AUTHORITY (FORA) FINANCE COMMITTEE

Tuesday, April 30, 2019 at 9:00 a.m.

920 2nd Avenue, Suite A, Marina CA 93933 (FORA Conference Room)

AGENDA

1. CALL TO ORDER/ESTABLISHMENT OF QUORUM

2. PLEDGE OF ALLEGIANCE

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

4. PUBLIC COMMENT PERIOD

Members of the public wishing to address the Committee on matters within its jurisdiction, but not on this agenda, may comment for up to 3 minutes and will not receive Committee action.

5. MEETING MINUTES

ACTION

- a. February 22, 2019 Regular Meeting Minutes

6. BUSINESS ITEMS

INFORMATION/ACTION

Business items are for Committee 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. Whenever possible, written correspondence on a Business Item should be submitted to the Committee staff 36 hours in advance of the meeting, to provide adequate time for its consideration.

- a. Del Rey Oaks Repayment Request
- b. Fiscal Year 2019-20 Budget
- i. Review and discussion
 - ii. Consider Recommending FORA Board Budget approval

7. ITEMS FROM MEMBERS

Receive communication from Committee members as it may pertain to future agenda items.

8. ADJOURNMENT

NEXT MEETING: TBD

For information regarding items on this agenda or to request disability related modifications and/or accommodations please contact the FORA office at (831)883-3672, 48 hours prior to the meeting. Agendas are available on the FORA website at www.fora.org.



**FORT ORD REUSE AUTHORITY
FINANCE COMMITTEE MEETING MINUTES**

**2:00 p.m., Friday, February 22, 2019 | Executive Officer's Conference Room
920 2nd Avenue, Suite A, Marina CA 93933**

1. CALL TO ORDER/ESTABLISHMENT OF QUORUM

Chair City of Salinas Mayor Joe Gunter called the meeting to order at 2:00 p.m.

MEMBERS PRESENT:

Mayor Joe Gunter (City of Salinas)
Mayor Pro-Tem Gail Morton (City of Marina)
Andre Lewis (CSUMB)
Councilmember Alan Haffa (City of Monterey)
Councilmember Jon Wizard (City of Seaside)
Councilmember Cynthia Garfield (City of Pacific Grove)

2. PLEDGE OF ALLEGIANCE led by Mayor Gunter.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

There were no acknowledgements, announcements and correspondence.

4. PUBLIC COMMENT PERIOD

There were no comments received from the public.

5. APPROVAL OF MEETING MINUTES

a. December 5, 2018 Regular Meeting Minutes

MOTION: On motion by Committee member Haffa and second by Committee member Garfield and carried by the following vote the Finance Committee approved the regular meeting minutes of December 5, 2018.

MOTION PASSED UNANIMOUSLY

6. BUSINESS ITEMS

a. Review FY 18-19 Mid-Year Budget

Controller Helen Rodriguez provided an overview of the FY 18-19 Mid-Year budget and provided answers and information to the Committees inquiries. The Committee discussed the item. There were no public comments received.

MOTION: On motion by Committee member Garfield and second by Committee member Lewis and carried by the following vote, the Finance Committee moved to recommend approval of the FY 18-19 Mid-Year budget.

7. ITEMS FROM MEMBERS

There were no items from members.

8. ADJOURNMENT at 2:35 p.m.

Minutes Prepared by:
Heidi Lizarbe
Deputy Clerk



FORT ORD REUSE AUTHORITY

920 2ND AVENUE, SUITE A, MARINA, CALIFORNIA 93933

PHONE: (831) 883-3672 - FAX: (831) 883-3675

WEBSITE: www.fora.org

March 15, 2019

Mr. Dino Pick
City of Del Rey Oaks
650 Canyon Del Rey Road
Del Rey Oaks, CA 93940

RE: Del Rey Oaks Pollution Legal Liability ("PLL") Debt to the Fort Rd Reuse Authority ("FORA")

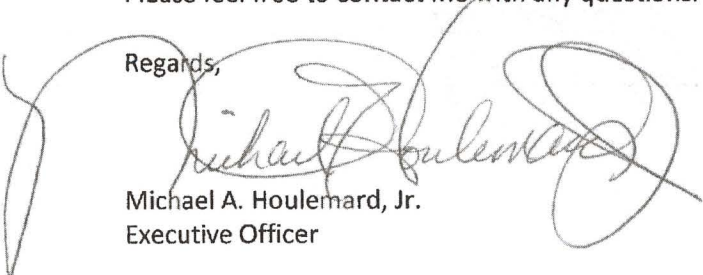
Dear Mr. Pick:

As you know, the City of Del Rey Oaks ("DRO") has an outstanding indebtedness of \$597,697.41 to FORA to repay the loan FORA made to cover DRO's portion of the current PLL Policy with Chubb Insurance. As you may also be aware, this policy will cover certain risks through 2025. I am writing to request that you provide us with a payment program for paying off this debt.

I would expect that you would address the outstanding interest of \$133,190.96 as of March 15, 2019 also due on this loan and how you would be able to retire the debt within the coming year. As this debt has continued to accrue, I believe a specific payment plan from DRO is now required. I look forward to seeing your proposal to retire this debt.

Please feel free to contact me with any questions.

Regards,

A large, stylized handwritten signature in dark ink, appearing to read "Michael A. Houlemard, Jr.", is written over the typed name and title.
Michael A. Houlemard, Jr.
Executive Officer



CITY OF DEL REY OAKS

650 CANYON DEL REY RD. • DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 • FAX (831) 394-6421

Mr. Houlemard,

In response to your letter requesting repayment of the FORA PLL Loan, the City of Del Rey Oaks is prepared to make a payment of \$211,000 and begin a monthly payment of \$15,000 until the loan is paid in full.

In consideration of this payment plan the City proposes that the interest rate for the principal be retroactively adjusted to a rate comparable to that being earned on FORA's Section 115 Trust or approximately 2%. We have attached a schedule for your staff and the Board's consideration.

I am happy to answer any questions you may have. The City appreciates the FORA Board's consideration of this proposal and looks forward to settling this debt in an equitable and timely fashion commensurate with the City's finances.

Respectfully,

Dino Pick
City Manager

FORA PLL Loan Calculator using Simple Interest

LOAN VALUES

Loan amount	\$715,767.58
Annual interest rate	2.00%
Loan period in years	10
Start date of loan	7/1/2013

LOAN SUMMARY

Monthly payment	
Number of payments	120
Total interest	\$80,442.60
Total cost of loan	\$796,210.18

PMT NO.	PAYMENT DATE	BEGINNING BALANCE	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	
1	6/30/2014	\$715,767.58			\$14,315.35	\$730,082.93	1 yr. interest
2	10/10/2014	\$730,082.93	\$162,806.00		\$4,000.45	\$571,277.39	102 days interest
3	6/30/2015	\$571,277.39			\$8,232.65	\$579,510.04	263 days interest
4	6/30/2016	\$579,510.04			\$11,425.55	\$590,935.59	1 yr. interest
5	6/30/2017	\$590,935.59			\$11,425.55	\$602,361.14	1 yr. interest
6	6/30/2018	\$602,361.14			\$11,425.55	\$613,786.68	1 yr. interest
7	5/1/2019	\$613,786.68	\$211,000.00		\$9,521.29	\$412,307.97	10 mths. Interest
8	6/1/2019	\$412,307.97	\$15,000.00	\$14,312.82	\$687.18	\$397,995.15	1 mth. Interest
9	7/1/2019	\$397,995.15	\$15,000.00	\$14,336.67	\$663.33	\$383,658.48	1 mth. Interest
10	8/1/2019	\$383,658.48	\$15,000.00	\$14,360.57	\$639.43	\$369,297.91	1 mth. Interest
11	9/1/2019	\$369,297.91	\$15,000.00	\$14,384.50	\$615.50	\$354,913.41	1 mth. Interest
12	10/1/2019	\$354,913.41	\$15,000.00	\$14,408.48	\$591.52	\$340,504.93	1 mth. Interest
13	11/1/2019	\$340,504.93	\$15,000.00	\$14,432.49	\$567.51	\$326,072.44	1 mth. Interest
14	12/1/2019	\$326,072.44	\$15,000.00	\$14,456.55	\$543.45	\$311,615.89	1 mth. Interest
15	1/1/2020	\$311,615.89	\$15,000.00	\$14,480.64	\$519.36	\$297,135.25	1 mth. Interest
16	2/1/2020	\$297,135.25	\$15,000.00	\$14,504.77	\$495.23	\$282,630.48	1 mth. Interest
17	3/1/2020	\$282,630.48	\$15,000.00	\$14,528.95	\$471.05	\$268,101.53	1 mth. Interest
18	4/1/2020	\$268,101.53	\$15,000.00	\$14,553.16	\$446.84	\$253,548.36	1 mth. Interest
19	5/1/2020	\$253,548.36	\$15,000.00	\$14,577.42	\$422.58	\$238,970.94	1 mth. Interest
20	6/1/2020	\$238,970.94	\$15,000.00	\$14,601.72	\$398.28	\$224,369.23	1 mth. Interest
21	7/1/2020	\$224,369.23	\$15,000.00	\$14,626.05	\$373.95	\$209,743.18	1 mth. Interest
22	8/1/2020	\$209,743.18	\$15,000.00	\$14,650.43	\$349.57	\$195,092.75	1 mth. Interest
23	9/1/2020	\$195,092.75	\$15,000.00	\$14,674.85	\$325.15	\$180,417.90	1 mth. Interest
24	10/1/2020	\$180,417.90	\$15,000.00	\$14,699.30	\$300.70	\$165,718.60	1 mth. Interest
25	11/1/2020	\$165,718.60	\$15,000.00	\$14,723.80	\$276.20	\$150,994.80	1 mth. Interest
26	12/1/2020	\$150,994.80	\$15,000.00	\$14,748.34	\$251.66	\$136,246.46	1 mth. Interest
27	1/1/2021	\$136,246.46	\$15,000.00	\$14,772.92	\$227.08	\$121,473.53	1 mth. Interest
28	2/1/2021	\$121,473.53	\$15,000.00	\$14,797.54	\$202.46	\$106,675.99	1 mth. Interest
29	3/1/2021	\$106,675.99	\$15,001.00	\$14,823.21	\$177.79	\$91,852.78	1 mth. Interest
30	4/1/2021	\$91,852.78	\$15,002.00	\$14,848.91	\$153.09	\$77,003.87	1 mth. Interest
31	5/1/2021	\$77,003.87	\$15,003.00	\$14,874.66	\$128.34	\$62,129.21	1 mth. Interest
32	6/1/2021	\$62,129.21	\$15,004.00	\$14,900.45	\$103.55	\$47,228.76	1 mth. Interest
33	7/1/2021	\$47,228.76	\$15,005.00	\$14,926.29	\$78.71	\$32,302.47	1 mth. Interest
34	8/1/2021	\$32,302.47	\$15,006.00	\$14,952.16	\$53.84	\$17,350.31	1 mth. Interest
35	9/1/2021	\$17,350.31	\$15,007.00	\$14,978.08	\$28.92	\$2,372.23	1 mth. Interest
36	10/1/2021	\$2,372.23	\$2,376.18	\$2,372.23	\$3.95	\$0.00	1 mth. Interest

FORT ORD REUSE AUTHORITY - FY 19-20 ANNUAL BUDGET - BY FUND

CATEGORY	SPECIAL REVENUE FUNDS (SRF)				TOTAL ANNUAL BUDGET
	GENERAL FUND	LEASES/ LAND SALE	CFD/Tax Developer Fees	ARMY ESCA	
REVENUES					
Membership Dues	316,213	-	-	-	316,213
Franchise Fees - MCWD	461,065	-	-	-	461,065
Federal Grants	-	-	-	1,082,784	1,082,784
Development Fees	-	-	6,104,257	-	6,104,257
Land Sale Proceeds	-	-	-	-	-
Rental/Lease Revenues	50,000	-	-	-	50,000
Property Tax Payments	1,300,000	-	1,898,185	-	3,198,185
Reimbursement Agreements	5,000	-	-	-	5,000
Investment/Interest Income	100,000	-	30,000	-	130,000
Other Income	-	-	-	-	-
Total Revenues	2,232,278	-	8,032,442	1,082,784	11,347,504
EXPENDITURES					
Salaries & Benefits	1,124,014	96,877	462,629	447,812	2,131,332
Supplies & Services	283,100	18,142	145,253	91,750	538,245
Contractual Services	1,398,129	26,238	870,911	543,222	2,838,500
Capital Projects	-	4,256,270	7,060,141	-	11,316,411
Total Expenditures	2,805,243	4,397,527	8,538,934	1,082,784	16,824,488
REVENUES OVER (UNDER) EXPENDITURES	(572,965)	(4,397,527)	(506,492)	-	(5,476,984)
OTHER FINANCING SOURCES (USES)					
Transfer In/(Out)	(1,057,600)	-	1,057,600	-	-
Total Other Financing Sources (Uses)	(1,057,600)	-	1,057,600	-	-
REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES	(1,630,565)	(4,397,527)	551,108	-	(5,476,984)
FUND BALANCE-BEGINNING 7/1/19	11,375,280	4,397,527	17,271,527	-	33,044,334
FUND BALANCE-ENDING 6/30/20	9,744,715	-	17,822,635	-	27,567,350

Fund Balances

Committed/Assigned for:

CalPers Termination	\$ 6,940,000	\$ -	\$ -	\$ -	\$ 6,940,000
Operations	-	-	-	-	-
Habitat Management (HM/HCP)	-	-	17,822,635	-	17,822,635
Building Removal	-	-	-	-	-
CIP	-	-	-	-	-

Unassigned

Unassigned	2,804,715	-	-	-	2,804,715
Ending Fund Balance	9,744,715	-	17,822,635	-	27,567,350

FORT ORD REUSE AUTHORITY - FY 19-20 ANNUAL BUDGET - COMPARATIVE

CATEGORIES	FY 18-19 APPROVED MID-YEAR	FY 18-19 <u>Variances</u> <i>Projected thru 6/30/18</i>	FY 18-19 <u>PROJECTED</u>	FY 19-20 PRELIMINARY	NOTES
REVENUES					
Membership Dues	\$ 310,928	\$ 1,739	\$ 312,667	316,213	Based on MCWD's current projection
Franchise Fees - MCWD	721,557	(173,143)	548,414	461,065	Based on MCWD's current projection
Federal Grants	1,078,135	-	1,078,135	1,082,784	
Development Fees	10,734,756	(2,734,756)	8,000,000	6,104,257	
Land Sale Proceeds	-	-	-	-	
Rent Proceeds	50,000	-	50,000	50,000	
Property Taxes	2,974,613	-	2,974,613	3,198,185	
Reimbursement Agreements	5,000	-	5,000	5,000	
Investment/Interest Income	281,490	-	281,490	130,000	
TOTAL REVENUES	16,156,479	(2,906,160)	13,250,319	11,347,504	
EXPENDITURES					
Salaries & Benefits	2,797,745	-	2,797,745	2,131,332	
Supplies & Services	536,025	-	536,025	538,245	
Contractual Services	2,472,350	-	2,472,350	2,838,500	
Capital Projects (CIP)	26,520,871	(4,186,700)	22,334,171	11,316,411	
TOTAL EXPENDITURES	32,326,991	(4,186,700)	28,140,291	16,824,488	
REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES	(16,170,512)	1,280,540	(14,889,972)	(5,476,984)	<i>Use of Fund Balance</i>
FUND BALANCES					
Beginning	47,934,306	-	47,934,306	33,044,334	
Ending	\$ 31,763,794	\$ 1,280,540	\$ 33,044,334	27,567,350	Ending Fund Balance
Fund Balances					
<i>Committed/Assigned for:</i>					
CalPers Termination	\$ 6,820,000		\$ 6,820,000	6,940,000	
Operations	4,700,000		4,700,000	-	
Habitat Management (HM/HCP)	17,113,239	(825,896)	16,287,343	17,822,635	
Building Removal	-	-	-	-	
CIP	3,103,871	-	3,103,871	-	
Unassigned	26,684	(171,404)	(144,720)	2,804,715	
Ending Fund Balance	\$ 31,763,794	\$ (997,300)	\$ 30,766,494	27,567,350	

FORT ORD REUSE AUTHORITY - FY 19-20 ANNUAL BUDGET - EXPENDITURE DETAIL

EXPENDITURE CATEGORIES	FY 18-19 Approved Mid-Year	FY 18-19 Variance Projected thru 6/30/19	Projected 6/30/19	FY 19-20 Proposed	Change from Prior Year	NOTES
						"N" indicates a new expense in FY 19-20 budget
<u>SALARIES AND BENEFITS (S & B)</u>	16 positions + 1 intern	16 positions + 1 intern	16 positions + 1 intern	17 positions + 1 intern		
SALARIES	1,967,512	-	1,967,512	1,377,880	(589,632)	2% COLA and Step, reclassification and staffing changes
BENEFITS/HEALTH, RETIREMENT, OTHER	680,233	-	680,233	518,693	(161,540)	CalPers increase offset by staffing changes
TEMP HELP/VACTION CASH OUT/STIPENDS	150,000	-	150,000	234,759	84,759	Retention, add'l assignment resulting from attrition due to sunset
TOTAL SALARIES , BENEFITS AND UAL	2,797,745	-	2,797,745	2,131,332	(666,413)	
<u>SUPPLIES AND SERVICES</u>						
PUBLIC & LEGAL NOTICES	8,000	-	8,000	8,000	-	
COMMUNICATIONS	8,000	-	8,000	8,000	-	
DUES & SUBSCRIPTIONS	25,000	-	25,000	25,000	-	
PRINTING & COPY	13,000	-	13,000	13,000	-	
SUPPLIES	16,000	-	16,000	16,000	-	
EQUIPMENT & FURNITURE	25,000	-	25,000	25,000	-	
VEHICLE AND MAINTENANCE	28,600	-	28,600	28,600	-	
TRAVEL & LODGING	35,000	-	35,000	35,000	-	
CONFERENCE, TRAINING & SEMINARS	25,000	-	25,000	25,000	-	
MEETING EXPENSES	15,750	-	15,750	15,750	-	
TELEVISED MEETINGS	7,000	-	7,000	7,000	-	
BUILDING MAINTENANCE & SECURITY	10,000	-	10,000	12,500	2,500	
FORA OFFICES RENTAL	180,000	-	180,000	180,000	-	
UTILITIES	14,175	-	14,175	14,175	-	
INSURANCE	34,000	-	34,000	34,000	-	
PAYROLL/ACCOUNTING SERVICES	7,500	-	7,500	7,500	-	
IT/COMPUTER SUPPORT	35,000	-	35,000	44,720	9,720	
RECORD ARCHIVING	11,000	-	11,000	11,000	-	
PREVAILING WAGE TECH SUPPORT/SOFTWARE	10,000	-	10,000	-	(10,000)	
Community Outreach/Marketing	25,000	-	25,000	25,000	-	
OTHER (POSTAGE, BANK FEES, MISC)	3,000	-	3,000	3,000	-	
TOTAL SUPPLIES AND SERVICES	536,025	-	536,025	538,245	2,220	
<u>CONTRACTUAL SERVICES</u>						
AUTHORITY COUNSEL	250,000	-	250,000	330,000	80,000	CIP related
LEGAL/LITIGATION FEES	185,000	-	185,000	285,000	100,000	CIP related
LEGAL FEES - SPECIAL PRACTICE	75,000	-	75,000	75,000	-	CIP related
AUDITORS	18,850	-	18,850	25,000	6,150	Anticipated standard 5% increase
SPECIAL COUNSEL (EDC-ESCA)	100,000	-	100,000	100,000	-	
ESCA/REGULATORY RESPONSE/ QUALITY ASSURANCE	460,000	-	460,000	460,000	-	
FINANCIAL CONSULTANT	175,000	-	175,000	225,000	50,000	CIP related
LEGISLATIVE SERVICES CONSULTANT	43,000	-	43,000	43,000	-	
PUBLIC INFORMATION/OUTREACH	20,000	-	20,000	20,000	-	
HCP CONSULTANTS	150,000	-	150,000	200,000	50,000	CIP related
FORA Sunset/Transition	650,000	-	650,000	750,000	100,000	Career Counseling, Consultants, LAFCO Indemnification Fund
REUSE PLAN IMPLEMENTATION	150,000	-	150,000	150,000	-	
ECONOMIC DEVELOPMENT	165,500	-	165,500	145,500	(20,000)	Increase CSUMB offset by Drone Grant/Symposium cost
PW WAGE CONSULTANTS	-	-	-	-	-	
OTHER CONSULTING/CONTRACTUAL EXP	30,000	-	30,000	30,000	-	
TOTAL CONTRACTUAL SERVICES	2,472,350	-	2,472,350	2,838,500	366,150	
<u>CAPITAL PROJECTS</u>						
TRANSPORTATION/OTHER CIP PROJECTS	17,000,000	-	17,000,000	6,910,141	(10,089,859)	CIP Budget
BUILDING REMOVAL	9,520,871	-	9,520,871	4,256,270	(5,264,601)	CIP Budget
TOTAL CAPITAL PROJECTS	26,520,871	-	26,520,871	11,166,411	(15,354,460)	
TOTAL EXPENDITURES	32,326,991	-	32,326,991	16,674,488	(15,652,503)	