



APPROVED

**FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING MINUTES
2:00 p.m., Friday, October 11, 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 Councilmember Alan Haffa.

3. ACKNOWLEDGMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

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

- Mr. Houlemard extended his thanks to the City of Monterey for co-hosting the ADC 2019 Base Redevelopment Forum, including the attendees, and Board Members who participated. Special thanks to Kristie Reimer who works under a special contract to ADC, in addition to working for FORA. She went above and beyond putting together an extraordinary conference.
- Monterey Bay Opportunity Zone Forum has been rescheduled to November 15, 2019 at the California State University Monterey Bay ("CSUMB") Salinas Center.
- October 4, 2019 a ceremonial ribbon cutting was held to celebrate the new Pure Water Monterey Project to get water resources to all the communities on the Peninsula.
- CSUMB New College of Arts, Humanities and Social Sciences Building held a Ribbon Cutting Ceremony on October 11, 2019 from 11:00 a.m. to 1:00 p.m.
- Discover CSUMB – Saturday, October 12, 2019 from 10:00 a.m. to 10:00 p.m. Come discover everything CSUMB has to offer. Featuring admissions presentation interactive academic demonstrations, the perfect opportunity to explore the growing campus.

4. 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), Mayor Pro-Tem Gail Morton (City of Marina), Councilmember Alan Haffa (City of Monterey), Mayor Ian Oglesby (City of Seaside), Councilmember Jon Wizard (City of Seaside), Mayor Joe Gunter (City of Salinas), Councilmember Jan Reimers (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), Nicole Hollingsworth (17th State Senate District), Mike Zeller (TAMC), Dr. P.K. Diffenbaugh (Monterey Peninsula Unified School District), Steve Matarazzo (University of California, Santa Cruz), Dr. Eduardo Ochoa (California State University Monterey Bay), Colonel Gregory Ford (United States Army), Bill Collins (BRAC), Lisa Rheinheimer (Monterey-Salinas Transit), Dr. Matt Zefferman (Marina Coast Water District)

5. CONSENT AGENDA

- a. Approve August 15, 2019 Meeting Minutes
- b. Approve September 13, 2019 Meeting Minutes
- c. Administrative Committee
- d. Veterans Issues Advisory Committee
- e. Water/Wastewater Oversight Committee
- f. Environmental Services Cooperative Agreement ("ESCA") Quarterly Report
- g. Public Correspondence to the Board

Chair Parker introduced the consent agenda items and asked if any Board members had comments or items to pull for discussion. Director Morton requested to pull item 5a August 15, 2019 Special Board Meeting Minutes for correction.

MOTION: On motion by Board member Carbone and seconded by Board member Adams and carried by the following vote, the Board moved to approve the consent agenda item 6b – 6g. Item 6a will be brought back to the November Board Meeting for approval.

MOTION PASSED UNANIMOUSLY

6. BUSINESS ITEMS

a. Building Removal Bond Status Report

Mr. Houlemard introduced the item noting Senior Project Manager Peter Said will be providing a PowerPoint presentation. Mr. Said provided background information noting staff has been working on this for the past year in coordination with the Administrative Committee and the Board of Directors. At the September 2019 Board of Directors meeting an initial discussion identifying status of the Building Removal process, there were questions of concern. During the month we met with the Administrative Committee ("AC") on September 18, and again on Oct 2, 2019 and simplified the questions. Mr. Said reviewed the simplification and the terms generally agreed upon and the AC recommendation to use the percentage allocation of funds. The Board asked FORA staff to look at what happens if you allocate based on revenue generated. The AC had a discussion and expressed concerns trying to determine who would make agreements with the public entities and how it would be transferred. The AC decided it would be best to calculate the allocation based on the percentage of building removal. Mr. Said reviewed the action items/ next steps and advised there is a general agreement being discussed between the Cities of Marina, Seaside and Monterey to each pay a share of the Monterey County Regional Fire District loss in revenue due to the bond post 2020. NHA Advisors Principal Mark Northcross reviewed the proposed bond structure which would be 100% taxable: maximum flexibility on use of proceeds and there would be three series of bonds issued in January 2020. Based on current market conditions the 3 series of Bonds estimated total of available funds for building removal is at just over \$40M at closing.

b. 2018 Transition Plan and Implementing Agreements Progress Report

- i. Receive a Transition Plan Implementing Agreements Progress Report.
- ii. Provide direction to staff regarding Draft Implementation Agreements.

RGS consultant Kendall Flint provided an updated Transition Plan Implementing Agreements ("TPIA") status chart, noting the path to implementation remains on track for FORA's June 2020 sunset. Mrs. Flint reported meeting with various stakeholders to develop a workplan involving drafting the following TPIA for Board consideration: 1) Multi-Agency TPIA to address FORA land use jurisdiction issues, as well as transferring FORA's regional transportation obligations to Transportation Agency for Monterey County ("TAMC"), Economic Development Conveyance ("EDC") property transfers, Local Reuse Authority ("LRA") successor, and provisions to continue regional housing solutions; 2) Water TPIAs to address transfer of FORA water supply/allocation obligations to Marina Coast Water District ("MCWD"); and 3) ESCA TPIA to address post-FORA successor obligations under contract with the Army. Mrs. Flint noted the goal is to have

all TPIAs finalized by January 2020. She discussed the progress of establishing a habitat cooperative responsible for implementing the Habitat Conservation Plan ("HCP"). Mrs. Flint reviewed the Joint Powers Authority ("JPA") finalization timeline, stating that review with signatories (permittees) is nearly complete and a draft JPA will be presented to the AC at the October 30, 2019 meeting following review by FORA legal counsel. Permittee meetings and City/County legal review will take place in November with a finalization date in January/February 2020. The HCP cooperative will ensure HCP regulation compliance as well as oversee staffing and operational (meeting) planning. Mrs. Flint stated most of FORA's funds have been committed to endowment or capital improvements and RGS is working with staff to determine what money remains. The Board will be presented this information at an upcoming meeting. After June 30, 2020 any unallocated FORA funds will go to the County for distribution on a pro rata basis. Mrs. Flint and staff responded to questions from members. *Director O'Connell asked if the 2001 implementing agreements will remain in effect after the new agreements are put into place. FORA counsel Jon Giffen responded that he would return to the next meeting with clarification.* The Board heard public comments.

**Mr. Tom Mancini of the Veterans Cemetery Citizens Advisory Committee confirmed with staff that the new implementing agreements would not affect Phase II of the California Central Coast Veterans Cemetery.*

**Jonathan Brinkman of the Monterey County Local Agency Formation Commission ("LAFCO") expressed concern regarding FORA's Indemnification Funding Agreement with LAFCO as outlined in the 2018 Transition Plan. Mr. Brinkmann read a letter to the Board from LAFCO Executive Officer Kate McKenna which stated LAFCO's perspective that this agreement was never contingent on success of Senate Bill 189 and FORA's extension. LAFCO urged FORA to finalize the Indemnification Agreement and transfer the first phase of these funds in the next few weeks.*

**Director Oglesby noted his concern as FORA Veterans Issues Advisory Committee ("VIAC") chair, regarding designation of a VIAC successor entity. He stated that the VIAC will be writing to the Board in the coming weeks, requesting funding for administrative costs as the Committee transfers to the County.*

**Director Matarazzo requested clarification regarding the FORA-LAFCO indemnification agreement and asked if the statute of limitations may have run out. Mrs. Flint responded that LAFCO is charged with overseeing all the implementing agreements following FORA's dissolution and are concerned regarding assumption of potential associated liability.*

c. "Side-by-Side" CIP/Transition Plan Contrast/Comparison/Linkage

Mr. Said provided a brief background on the item noting the Board approved the fiscal year 2019-20 Capital Improvement Program ("CIP") with the condition of revisiting the mid-year CIP once the Transportation Study is complete. Mr. Said discussed the integration of the CIP, Implementing Agreements and Communities Facilities District ("CFD") special tax ("CFD Fee"). Mr. Said presented a diagram of the underlying drivers of FORA's CIP, the CFD Fee, and the integrated impacts. He explained the Base Reuse Plan, CEQA mitigations determine the programs needed to reuse the base, which inform the CIP projects, which are reassessed annually by the Board. The 2012 Implementing Agreement formula requires the CFD Fee be adjusted biennially to ensure just enough funds are collected to complete the CIP and no more, however, the formula uses FORA's 50% share of land sale revenues to subsidize the CFD fee, keeping it low. Mr. Said noted that FORA's sunset date of June 30, 2020 marks the end of FORA's 50% land sale subsidy of the CFD Fee. Mr. Said explained the Transition Plan Implementing Agreements ("TPIA") serve to transfer projects from the FORA CIP to the successor CIP requiring an adjustment to the CFD Fee to ensure double taxation did not occur. The TPIA's then recognize the assignment of the remaining base-wide obligations which are the basis for any CFD Fee replacement amount. Staff responded to questions from the Board and noted that eventual responsibility for many of these projects may rest with jurisdictions.

d. Post-FORA Employee Health Benefit Options and Retiree Medicare Reimbursement

i. Authorize the Executive Officer (“EO”) to execute liability release terms for retiring staff upon authority counsel recommendation and approval, to include recent retirees.

Mr. Houlemard introduced the item, noting both FORA Authority Counsel and Human Resources Consultant recommend the Board formally authorize EO to execute liability release terms for retiring/recently retired FORA staff, to help protect the Board and others from future liability.

ii. Approve health reimbursement account option to clarify administering post-employment health benefits for terminated employees.

RGS consultant Mi Ra Park explained that upon FORA’s dissolution CalPERS retirement and health plans will terminate, making employees ineligible for coverage under the existing COBRA group plans. Ms. Park presented two alternative health benefit reimbursement options: 1) Health Reimbursement Account (“HRA”); and 2) Monthly Reimbursement. Ms. Park provided analysis of each option and recommended option #1 (HRA) as the most flexible plan with the lowest administrative cost. Staff answered questions from Board members. Chair Parker directed the Board to choose option #1 or #2. Director Garfield proposed a third option: to distribute health reimbursement funds in one lump sum for the least amount of administrative cost and the greatest degree of flexibility for employees.

MOTION: On motion by Director Haffa and second by Director Oglesby, the Board moved to authorize the EO to execute liability release terms for retiring staff upon authority counsel recommendation and approval, to include recent retirees; and Approve health reimbursement account option to clarify administering post-employment health benefits for terminated employees.

SUBMOTION #1: On motion by Director Morton and second by Director Garfield, the Board moved to approve the following: Authorize the EO to execute liability release terms for retiring staff upon authority counsel recommendation and approval, to include recent retirees and to continue the severance package health component for further staff inquiry and analysis of all three proposed options

Motion Passed by Majority (9 AYES; 4 NOES) 2nd Vote Required.

7. PUBLIC COMMENT

Sid Williams of the Monterey County Military and VA Commission voiced concern regarding the establishment of a VIAC successor entity. He noted the only mention of veterans’ issues in any Transition Plan documents is in the MOU for the California Central Coast Veterans Cemetery (“CCCVC”) endowment parcel. He credited FORA as being crucial in the development of CCCVC and the VA Clinic and encouraged the Board to consider designating an agency to ensure continued progress on veterans’ issues in the community prior to FORA’s dissolution.

8. ITEMS FROM MEMBERS

None.

9. ADJOURNMENT at 4:16 p.m.

Minutes Prepared by:
Heidi L. Gaddy
Deputy Clerk

Approved by:

Michael A. Houlemard, Jr. Executive Officer