

Presidio Trust Board of Directors Meeting
October 28, 2002
Minutes

Attending:

Jennifer Hernandez
Amy Meyer
Mary Murphy
William K. Reilly
Toby Rosenblatt

Steve Carp
Karen Cook
Hillary Gitelman
Harry Haigood
Jim Lechleitner (8:39 – 9:38)
Tia Lombardi
Craig Middleton
Paul Osmundson
Steven Potts
Paula Vlamings

Not Attending:

Don Fisher
Michael Heyman

Meeting called to order by Chairperson Rosenblatt at 8:39 a.m.

Actions taken:

- Approval of Supplemental Standards of Conduct for Directors of the Presidio Trust (Resolution 03-1). Vote: 5-0.
- Approval of Adoption of Revised Budget for Fiscal Year 2003 (Resolution 03-2). Vote: 5-0.

Discussion items:

- Karen Cook outlined the requirements of applicable law and the provisions of the Supplemental Standards of Conduct for Directors of the Presidio Trust, including a discussion of conflicts of interest, nepotism, receipt of gifts and monetary contributions.
- Karen Cook discussed the status of the Letterman Digital Arts Center pre-closing matters.
- Craig Middleton presented the following summary of the strategic business plan for the next five years and will provide the Board with a written draft at the next Board meeting:

The slack non-residential and weak residential real estate markets combined with federal budget constraints pose challenges for the next few years. The Trust anticipates difficulty in obtaining full congressional funding for the foreseeable future. In the last five years the Trust incurred sizable start-up costs, but was able to rehabilitate over 900 residential units, generate good cash flow and income, negotiate and execute an agreement for development of the Letterman site, and institute accounting controls and budget constraints. Recently, the Trust has reduced capital expenses and payroll, trimmed extra projects and has rebuilt much public trust.

The five-year plan will establish priorities, identify decision points and clarify goals. The Trust must be refashioned as an organization that can weather financial ups and downs in the political reality of the world. The Trust faces a more austere future; the Trust cannot be all things to all people and must focus more on signature projects, such as the forest, trails and the Main Parade Ground. The Trust must maintain the Presidio as a place of national interest, distinction and acclaim.

The main projects for fiscal year 2003 will include finishing the rehabilitation of residential units, getting development of the Letterman site underway, rehabilitating the former PX and Commissary buildings, the Funston Avenue buildings, Building 563 and Building 35, and examining uses for the Public Health Service Hospital. A thorough analysis of the space needs for both the Trust and the National Park Service will be completed. Environmental remediation, starting with Landfill 4 and Fill Site 5, and continuing with Baker Beach area and Fill Site 6, will get underway. Native plant restoration will be a priority as well. Projects for fiscal year 2004 will include West Crissy Field, the Fort Scott area and the reconfiguration of Doyle Drive. The Trust will seek to bring additional people to the Presidio for Trust-sponsored programs. The Trust will also establish a philanthropic program and strengthen its outreach efforts; philanthropy will play a more important role in the Trust's future.

- Executive Session: 11:35 a.m. – 12:00 p.m.
- Paul Osmundson provided a real estate update. The Trust has received three proposals for use of the former PX and Commissary buildings; the deadline for proposals is November 1. The deadline for proposals for use of Building 563 is November 15.
- Craig Middleton provided an update on labor relations. The Trust proposed a two-day meeting with LIUNA for November to reestablish communications, not to negotiate issues pending before the Federal Labor Relations Authority. The Trust is still waiting for the FLRA to render a decision.

Meeting adjourned by Chairperson Rosenblatt at 12:34 p.m.