

**Minutes
CITY COUNCIL/SUCCESSOR
AGENCY/PUBLIC FINANCE AUTHORITY MEETING**

February 16, 2012

CALL TO ORDER

Mayor Ramsey called the meeting to order at 7:00 PM, PDT.

Councilmembers Present: Ramsey, Oxborrow, Lander, Garcia, Bourdeau

Councilmembers Absent: None

City Clerk: Wanda Earls

Others Present:

City Manager Darrel Pyle, City Attorney Laurie Avedisian, Assistant to the City Manager Cindy Johnson, Interim Finance Director Mari Jimenez, HR Director Marissa Chavez, Police Chief Cal Minor, Police Lieutenant Scott Ingram, Economic Development Assistant Shannon Jensen

1.2 Changes to the Agenda

City Manager Pyle announced the following changes to the agenda:

Add 5.6 to Consent Calendar Emergency Replacement of the Sodium Hypochlorite Storage Tank at the Water Treatment Plant. Approve the Expenditure for Budget Item #501-503-09846.

Pull Item 2.1 Senior Housing Proposal for Phelps Avenue to be rescheduled at a later meeting date.

*Motion to Approve Changes to the Agenda Made by Councilmember Lander, Seconded by Mayor Pro-tem Oxborrow. Motion **Approved** by a Roll-call 5/0 Vote:*

Ayes: Lander, Oxborrow, Bourdeau, Garcia, Ramsey
Noes: None
Abstained: None
Absent: None

2. AWARDS, PRESENTATIONS, APPOINTMENTS & PROCLAMATIONS

2.1 Senior Housing Proposal for Phelps Avenue

Item pulled to be rescheduled at a later meeting date.

3. CITIZENS COMMENTS

None

4. PUBLIC HEARINGS

- 4.1 Notice is hereby given that the City Council of the City of Coalinga (the "City") on Thursday, February 16, 2012, at the hour of 7:00 PM in the City Council Chambers located in the Coalinga City Hall at 155 West Durian Street, Coalinga, California will hold a joint public hearing in accordance with Section 6586.5 (a)(2) of the California Government Code with respect to the financing and refinancing of water and wastewater improvements by means of the issuance of revenue bonds (the "Bonds") by the Coalinga Public Financing Authority in an amount not to exceed \$14,000,000. The improvements to be financed and refinanced are located at the City and will constitute part of the municipal water and wastewater enterprises of the City.

City Manager Pyle introduced the action for the new Palmer Reservoir and other repairs by the financing and refinancing of water and wastewater improvements by means of issuance of revenue bonds. Resolutions 6.1 and 6.2 relate directly to the issuance of these revenue bonds.

He introduced **Mr. Bud Levine and Mr. John Fitzgerald** from WULFF, Hansen & Co.

Mayor Ramsey opened the public hearing.

Mr. Bud H. Levine, WULFF, HANSEN & CO.

Mr. John Fitzgerald

Mr. Levine explained that these actions would approve the issuance of the funding and the new money bond and would authorize and approve various documents which affect the underwriting sale. It will authorize the mayor, city manager and finance director and any other authorized parties for the execution of these documents used for purchase and sale of the Bonds. There is a preliminary official statement that has been provided which is the document used to sale the Bonds followed by the official statement once the Bonds are sold and the interest rate is established.

As to the Bond amount you always want to have a number higher than the one you are estimating. In your handout on Page 2 is listed the sources and uses of funds. The par amount of the Bonds will be \$12,560,000, an estimated amount. We think it could be lower than that; we feel that is a fairly safe number; that money comes in from the sale of the Bonds. In addition, there is a debt service reserve fund that is at the Trustee for the amount of the 2000 Water and Wastewater Bonds; the ones we are refunding with the new issues. That money is released to come into the escrow. In addition, there is an existing Water Capital Improvement account at the Trustee from the proceeds of the 2000 Bonds. That should have been extended along the way but is still there. They are bringing that into the escrow as well as the amount that is in the wastewater fund. In addition, there is debt service that will be due on April 1, 2012 and it is also being brought into the escrow. The total amount that is available for this issue is \$14,800,000.

Mr. Levine explained that the Coalinga Public Financing Authority would go out for a total bond issuance in the amount of \$14,800,000.

- P/O existing 2000 Bonds at the call date which is a few weeks after the close and that amount is \$7,353,000 and those documents will be cancelled and no longer exist.

- Water projects amount to \$5,720,000. Wastewater project monies were brought in from the old issue; we have set-up a new Wastewater Project Fund of \$548,000.
- The fee estimates for cost of issuance is approximately \$361,000. That represents 2.9% of the Par amount. Some of the previous issues that the City has been involved have been well over 3-3.5%.
- There is a debt service reserve requirement \$821,000.
- They are talking to Mooney's and S&P; they have a call tomorrow at 2:00 PM with Mooney's and a call on Tuesday with S&P. We are assuming we are going to get a good rating and we are also approaching an Assured Guarantee to insure the Bonds. That will wait for final discussions when the rating comes through. If we obtain the insurance as part of a Surety Bond that amount will be put up for the Debt Service Reserve. That will free-up that \$821,000 and will have the effect of doing one of two things:
 - Lowering the size of the Bond issue
 - Increasing the amount of the water project
- Bonds are marketed at the pricing date and are either marketed to individuals (WULFF, HANSEN has a sales force where we sale municipal bonds to individuals) or will be bought by institutions i.e. the Franklin Funds of the World or institutions like that; you get a bulk sale with fewer involved hands.
- The market is extremely strong right now and they are hopeful of even lower interest rates. That will be a function of the rating, insurance and what the market is doing when we price.
- The soul source of repayment is the revenue being generated by the water and sewer. The General Fund is not pledged to repay these Bonds:
 - 78% of debt service is water enterprise
 - 22% is sewer enterprise

When Mr. Bergmann made his presentation for the rate increase, in looking at the projection, one of the things under discussion and in the waterfall of the flow of funds was a rate stabilization fund. It was estimated at \$50,000 with \$50,000 being added every year until it builds to \$300,000. The documents the bond counsel put together do not contain anything about the rate stabilization fund because we want to receive the input we get from the rating agency. Their recommendation is to put it in so the Council would have the flexibility to place into that fund an amount of their determination. If we set it up for the \$50,000 every year, you are locked into that amount or it becomes a negative on the operation of the water enterprise system. This would accomplish having the \$50,000 per year but if for any reason the surpluses are not as much as expected or the coverage is not as much as is expected, there would be the ability to waive that in a given year.

Mooney's or S&P have power from the point of view that, "the higher the rating the lower the interest rate". Secondly, they are in the business of providing ratings for a fee. Included in your cost of issuance is the fee for both Mooney's and S&P.

Sometimes you only go for one rating. We are finding in this market, because of the history of what has happened over the past four to five years, it is very important to have both rating agencies rate your bonds. They are supposed to be as honest and fair as they can be in identifying the credit risk of the particular issues they are rating. They are very thorough and are paid a fee for that.

We have already provided Mooney's and S&P with a lot of information. We will be having a conference call with the city manager, your finance director and WULFF, HANSEN people to answer all questions. We anticipate receiving the ratings by the last week of February. This should give us plenty of time to get that information out; the preliminary official statement (the selling document) with the ratings in the hands of potential investors with a pricing date of March 14th or 15th.

We have accomplished everything to receive a good rating. Some of it has been to straighten out some of the reporting of the coverage ratio and the way the performance of both enterprise funds have now been put together and presented. This has created a much more favorable situation.

Mayor Ramsey closed the public hearing. He thanked WULFF, HANSEN for all their work.

5. CONSENT CALENDAR

5.1 Use of City Owned Building.

5.2 Minutes – February 2, 2012

5.3 Check Register (01/01/12 through 01/31/12)

5.4 Adoption of Resolution No. 3501 Adoption of the ROPS.

5.5 Adoption of Resolution No. 3502 Declaring the Property Located at 761 East Pleasant a Public Nuisance.

5.6 Emergency Replacement of the Sodium Hypochlorite Storage Tank at the Water Treatment Plant. Approve the Expenditure of Budget Item No. 501-503-9846.

City Manager Pyle said in reference to Item 5.6, staff would like the record to indicate that the tank that is out there now is a polymer tank and does not have the life expectancy we had hoped for. We have had fiberglass tanks which have been in operation since 1972. Staff's recommendation is to replace the tank with a fiberglass tank hoping for 40 years of service. The fiberglass tank is more expensive but should give years of extended service to the City.

*Motion to Approve Consent Calendar Items 5.1, 5.2, 5.3, 5.4, 5.5 and 5.6 Made by Councilmember Lander, Seconded by Councilmember Garcia, Motion **Approved** by a Roll-call 5/0 Vote:*

Ayes: Lander, Garcia, Bourdeau, Oxborrow, Ramsey
Noes: None

Abstained: None
Absent: None

6. ORDINANCE PRESENTATIONS, DISCUSSIONS AND POTENTIAL ACTION ITEMS

6.1 Adopt Resolution No. 3500 Approving Proceedings to Finance and Refinance Improvements to the City's Municipal Water System and to Finance and Refinance Improvements to the City's Municipal Wastewater System Approving Issuance of Revenue Bonds by the Coalinga Public Financing Authority for Such Purposes and Approving Related Documents and Official Actions. (Darrel Pyle)

City Manager Pyle said this is the first formal step for preparing the final documents to take the Bonds to market. It is adoption of a resolution by the City of Coalinga and the Public Finance Authority to move forward with this issuance.

*Motion to Adopt Resolution No. 3500 Approving Proceedings to Finance and Refinance Improvements to the City's Municipal Water System and to Finance and Refinance Improvements to the City's Municipal Wastewater System Approving Issuance of Revenue Bonds by the Coalinga Public Financing Authority for Such Purposes and Approving Related Documents and Official Actions Made by Councilmember Lander, Seconded by Councilmember Garcia. Motion **Approved** by a Roll-call (5/0) Vote:*

Ayes: Lander, Garcia, Bourdeau, Oxborrow, Ramsey
Noes: None
Abstained: None
Absent: None

6.2 Adopt Resolution PFA 12-01, Authorizing the Issuance and Sale of Revenue Bonds to Finance and Refinance Improvements to the City of Coalinga's Municipal Water System and to Finance and Refinance Improvements to the City's Municipal Wastewater System, Approving Related Documents and Official Actions. (Darrel Pyle)

City Manager Pyle said the previous action was on the side of the City. This action is similar but on behalf of the Public Finance Authority. It is the last of the resolutions authorizing the issuance of these Bonds.

*Motion to Adopt Resolution PFA 12-01, Authorizing the Issuance and Sale of Revenue Bonds to Finance and Refinance Improvements to the City of Coalinga's Municipal Water System and to Finance and Refinance Improvements to the City's Municipal Wastewater System, Approving Related Documents and Official Actions Made by Agency Member Garcia, Seconded by Agency Member Lander. Motion **Approved** by a Roll-call (5/0) Vote:*

Ayes: Garcia, Lander, Bourdeau, Oxborrow, Ramsey
Noes: None
Abstained: None
Absent: None

6.3 Selection of a City Engineer and On-Call Engineers

City Manager Pyle said this item is seeking authorization for the City Manager to enter into an agreement with Tri-City Engineering for City engineering services and two separate agreements with Quad Knopf and Omni Means for on-call engineering services and ancillary services when deemed necessary.

On November 17, 2011, the City Council authorized staff to circulate a Request for Proposal (RFP) from licensed Engineering firms to provide City Engineering and On-call Engineering Services to the City. Twelve RFP's were circulated. Four responses were received. Staff and Council reviewed the proposal, along with two City Engineers employed by two municipal agencies. The individual reviews by Council point to a recommendation to utilize Tri-City Engineering as the City Engineer. Staff's review is in concurrence with that of the Council. Quad Knopf and Omni Means offered an array of additional ancillary services, including environmental services, grant development services, planning services, etc., that may be beneficial to the City on a case-by-case basis. The fact that these firms responded to the City's RFP allows the City to utilize the firms for these services, in the future, without having to circulate additional RFP's.

Staff believes it to be in the City's best interest to enter into agreements with the firms as indicated above.

*Motion to Approve and Authorize the City Manager to Enter into an Agreement with Tri-City Engineering for the City Engineering Services and Two Separate Agreements with Quad Knopf and Omni Means for On-call Engineering Services and Ancillary Services when Deemed Necessary Made by Councilmember Lander, Seconded by Mayor Pro-tem Oxborrow. Motion **Approved** by a Roll-call 5/0 Vote:*

Ayes:	Lander, Oxborrow, Bourdeau, Garcia, Ramsey
Noes:	None
Abstained:	None
Absent:	None

Mayor Ramsey thanked staff and Council for working together for a solution for a city engineer. He feels it should work out to everyone's advantage.

6.4 Monthly Police Report (Cal Minor)

Police Chief Minor said emphasis was given this past month to catching up on training. The Department was busy attending to calls for service.

In early February we experienced a shooting at Tyler and Sunset with a person receiving a gun shot wound to the groin. There are possibly three individuals involved. The victim was life-lifted to Fresno but was, later, transferred back to Coalinga due to the less seriousness of the wound.

We have several excellent eye witnesses.

A warrant was issued on a Huron robbery suspect and a line-up was conducted. The witness identified suspect with 95% surety. The case was not filed; there is a meeting with the DA next Thursday.

Our officers developed and handled the crime scene with excellence.

- **Burglaries** – 27 residential/vehicle and commercial

In late January, two officers were pulled to reduce burglaries of residences, vehicles and commercial businesses within our City. They were given the freedom to develop a program to decrease burglaries. As of February 14th the department has had a total of 3 burglaries.

- 1 Search warrant was served assisted by Lemoore
- The Team is going to continue their efforts
- Crime Mapping Program is available for citizens to view on their computers. It is a tool the Department is using to better track the crime within the City.
 - Press release was issued explaining the Crime Mapping Program
- City has unofficial Facebook Page put up by Mayor Ramsey
- Citywide Neighborhood Watch Program
- On February 29 there is a meeting to recruit Citizens on Patrol. The meeting is scheduled at 6:00 PM at the Council Chambers.

Narcotics:

- 4 search warrants have been served
- 12 individuals arrested and charged with possession of Marijuana, Methamphetamine, and Hashish for sale. Officers recovered 3 ounces of Marijuana, 1.5 grams of Methamphetamine, 4 grams of Hashish, \$300 cash, ammunition, digital scales, packaging materials and other miscellaneous narcotic related items.
- Receiving tips from Citizens in community.

Mayor Pro-tem Oxborrow asked about parolee searches.

Chief Minor said in the past we would designate a time to do a mass parolee search. We have changed that procedure so each shift is charged, regularly, with conducting parolee and probation searches.

- Task Force with Avenal/Huron
 - Department is ready to do joint operations with other agencies. Avenal is ready.
 - CHP and Sheriff's offices will assist when they can
 - We may be conducting a dual/tri city operation in the near future. We expect it to come to task in early spring when things begin to happening.

Mayor Pro-tem Oxborrow indicated there is an apartment where Bull Dog members are staying. Residents are pretty fearful. It is not much of a secret where they are located.

Chief Minor said he knows there is another apartment complex where there are other reputed gang members. They are in those complexes 2/3 times per week. Officers are knocking on doors and checking for compliance and doing everything, legally, we can do.

Mayor Ramsey asked about the number of new parolees in the City.

Chief Minor indicated he did not know.

Councilmember Bourdeau asked about the stabbing at the park. What was the outcome and trial?

Chief Minor said there is one individual awaiting trial who is the named perpetrator. There were four arrests from that incident. Three of the four have pled guilty to various charges; one, the most severe thus far, received an eighteen year prison sentence. The others received less than that. The perpetrator of the stabbing is still waiting trial. There is an outstanding warrant up for review.

(Two people speaking at once cannot understand question.)

Chief Minor said he keeps waiting (cannot understand wording) under review by their off-sight team to make a determination.

Councilmember Bourdeau said if any new information turns up on this incident he would appreciate being informed.

6.5 Monthly Fire Department Report (Keith Krider)

Captain Krider reported the following:

- January fire incidents – 70 about 2 per day – we are about 120 calls above where we were the previous year.
- There are about 39 incident codes varying in degrees
- We have experienced a small string of garbage can fires
- Calfire assisted with fire in canyon
- Fire season never ended – we are still responding to small grass fires at the end of town. We had a vegetation fire out at Parker Grade (not sure of name) road
- We had three occasions where we assisted the County
- 245 ambulance calls consisting of the usual calls within the City, prison, hospital transfers, etc.
- Almost fully staffed
 - 2 new employees – one was a dispatcher for the City of Orange – the other one hired was one of our reserves (he replaced John who passed away)
 - 1 out on injury from a structure fire in December

- o 1 out on injury because of fall at home

City Manager Pyle said he would like to add to the report a couple of pieces of information which came in via email:

Battalion Chief Scott Clo with the Sacramento Metropolitan Fire District has been tasked with coming up with a program to distribute AB 678 funds (approximately \$50M) to transporters, primarily agencies that transport via ambulance. They have been working on this process for the past several months and hoping the process would be in place to actually receive funding in the first quarter of this calendar year.

They are going to have a program in Anaheim on March 2 and one in San Francisco on March 12 or 13. They want someone from the suppression side and the fire side and someone from the finance side to go to this training program as they get ready to roll out this new allocation. Within the next couple of weeks we'll figure out what kind of positive budget impact we should anticipate from this. We'll meet with the captains and insure we are in attendance to get the City's fair share.

We received some draft documents back from CalFire related to a quote for providing a service inside the City limits and in the final analysis he may be bringing to the Council a request to initiate the process to bring on a board a fire chief.

ANNOUNCEMENTS

7.1 Mayor's Announcements

None

7.2 Council Member Announcements/Reports

None

7.3 City Manager's Announcements/Reports

City Manager Pyle said there is an opportunity to apply for Community Development Block Grant funding in the amount of \$1M for housing. It could follow the similar housing projects and/or programs that were operated through the redevelopment agency's low/moderate income housing programs. The low/mod money from tax increment will no longer find its way into our budget. (We do think, in the near future, that could become a different story as of January 1, 2013.) In the meantime, there is still a potential of \$1M to bring into our community to provide first-time homebuyer assistance and rehabilitation loans.

Staff would like to proceed with a grant application with CDBG for grants for 2012. We have a relationship with Self-Help Enterprises; they can assist us with that application for a fee of about \$3K. We could finish that loan application and bring it to Council for action at the first meeting in April. If approved, we would deliver it the next day to Sacramento meeting the deadline and, hopefully, be in the running to bring another \$1M of someone else's money into town.

We'll bring the grant application to the next Council meeting.

Mayor Pro-tem Oxborrow asked the City Manager to explain the talks with LA County in reference Claremont.

City Manager Pyle said one of Council's primary goals and objectives is the reutilization of the Claremont Correctional Facility. We are pursuing several avenues of opportunity and all options are on the table including the re-use of that facility in a similar fashion to the way we operated the facility for 21 years.

Other things to consider would be the sale of the facility or the lease of the facility to another public safety organization that would fill it and operate it.

We have been in contact with several Sheriff Offices around the State of California. Most recently, we have been contacted by the Los Angeles Sheriff's Department and two lieutenants have requested the opportunity to meet with us on Tuesday of next week to tour the facility and take some pictures. The recognition of our vacant beds is beginning to sound more appealing in tight budget times for some of our neighboring areas. Hopefully, there will be recognition of value to those empty jail beds. Our goal is to insure that the City of Coalinga is most able to capitalize on that opportunity.

We'll keep you posted and we will have an up-to-date agenda item to bring to you at our next meeting.

8. FUTURE AGENDA ITEMS

Mayor Pro-tem Oxborrow said the Council Meetings are not being replayed at noon on Friday nor at 7:00 PM on Friday. There are complaints that there is nothing but a blank screen for the time allocated to the replaying of the Council Meetings. He is wondering if Mr. Mitchell has some information on this subject.

Mr. Glenn Mitchell indicated that the Fresno Comcast Office removed all personnel from the Coalinga office. There is one technician who is retiring this month. The programming for the rebroadcast falls to him. He said he would follow-through and assist in providing the programming. There is an automatic switch which sometimes fails. He will be providing this service pro-bono to the community. Council maybe reassured he will do his level best to insure that service is not interrupted. The devices over there are at least two decades old. When was the last time you used videotape for anything?

Citizens should be advised that, even as we speak, there is a live broadcast going on. There should be two delayed broadcast tomorrow at noon and at 7:00 PM.

9. CLOSED SESSION

9.1 Conference with Legal Counsel – Potential Litigation – Significant exposure to litigation pursuant to Government Code 54956.9(b)

9.2 Conference with Legal Counsel - Existing Litigation.

**Maribel Vasquez v. City of Coalinga Fire Department
DFEH E201112C0565-00-SE.**

Deborah S. Ireland V. City of Coalinga Case No. 12CECG00171.

Donnelle Newman v. City of Coalinga, et al, Case No. 12CECG001191

10. ADJOURNMENT

Mayor Ramsey adjourned the meeting at 7:58 PM, PDT.

Ron Ramsey, Mayor

Wanda Earls, City Clerk

Date