

COUNCIL / BOARD MEMBERS PRESENT: Harness, Hinesly, Morales, Gonzalez

COUNCIL / BOARD MEMBERS ABSENT: Smith

STAFF MEMBERS PRESENT: Anderson, Barkley, Beltran, Cook, McCloskey,  
Olvera, Thompson, Todd, Uota

#### CALL TO ORDER

Vice Mayor Hinesly called the meeting to order at 6:31 pm.

#### INVOCATION

The invocation was led by Chaplain Robert Garcia.

#### FLAG SALUTE

The flag salute was led by Chris Launer.

#### ADDITION OF EMERGENCY ITEM TO THE AGENDA

City Attorney McCloskey said that during a teleconference yesterday, it became apparent that an item needed to be added to this agenda as an emergency item as the discussion raised issues that need immediate attention. He said the item needs to be dealt with by Thursday and so he requested the Council vote to place it on the agenda as an emergency item under Finance and Community Services.

It was motioned by Council Member Harness, second by Council Member Morales, to add an emergency item to agenda under Finance and Community Services.

AYES: Harness, Hinesly, Morales, Gonzalez

NOES: None

ABSTAIN: None

ABSENT: Smith

#### PUBLIC COMMENT

4.1. Nia Sibley, Office of Assembly Member Perea, Fresno Vet's Home, Resolution of Support, No 2012-14

Sibley was present to request that the Council adopt a resolution in support of the Fresno Veterans Home. Sibley said the home will be complete and furnished in April 2012. The governor took out the maintenance and housing part of the budget dealing with the home and therefore, it will close its doors unable to operate. If the home is not opened it can potentially cost hundreds of thousands of dollars because it still must be staffed for maintenance, the project has already cost several thousands of dollars to build and furnish it and a staff person must be present at the facility even if it is closed.

It was motioned by Council Member Morales, second by Council Member Gonzalez to adopt Resolution No 2012-14 as presented.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

#### 4.2. Phil Slitor - Rd 80 / Ave 416 Phase IV Intersection Improvements Update

Phillip Slitor, Engineer County of Tulare, explained the phases in brief. The cost of the intersection project is \$2.3 million-- \$1.1 is paid by the federal earmark; the balance from Measure R regional funds. The schedule is such that we must have this project underway in March. It's expected to be completed by August. The project was designed by Juann Ramos of Dokken Engineering who is also involved with other parts of the road widening project. The County is going to be performing construction engineering. The project has been awarded to Dawson-Mauldin Construction.

Slitor said the main reason he is present is to allay concerns to the intersection traffic control during construction. Slitor pointed out that there are four priorities associated with the project: safety; vehicular access and pedestrian safety; completion of the project in a timely and efficient manner Slitor pointed out that all are priorities but there may be some conflicts. Slitor said staff is trying to complete the project as quickly and safely as possible with minimal impact to the city of Dinuba. The first stage will be the infrastructure work such as the underground work; secondly to order new signal poles. Slitor explained crews will be placing a thick traffic control section, asphalt and base rock.

Slitor explained the slide presentation and discussion followed to different suggestions to traffic flow in the construction site.

#### 4.3. Lori Dunagan - Tulare County EDC Enterprise Zone Presentation

Not present

#### 4.5. Glenn Morris, Visalia Chamber of Commerce / Sequoia Tourism Council Chair – Tourism Update

Glenn Morris was present to update the City Council about the work that the Visalia Chamber of Commerce / Sequoia Tourism Council have been working on to market the local area.

#### 4.4. Sandy Sills, Dinuba Chamber of Commerce

- a. Raisin Day and Cinco de Mayo Event Expenses
- b. Street Closure Request - Cruise Night and Car Show, June 8-9, 2012
  - Beer Garden – Dinuba Lanes Parking Lot

Sandy Sills, Chamber Executive Director, presented information about Raisin day from 2000 through 2012 to date. She requested that the Council consider adjusting the fees charged to the Chamber of Commerce for the major events.

City Manager Todd said Sills does a great job as the Executive Director and the events are successful in part because of her leadership. Todd said as a cosponsor he feels the city should split the costs for the Raisin Day and Cinco de Mayo events.

It was motioned by Council Member Morales, second by Council Member Gonzalez, to authorize the 50/50 split of costs charged by the City to the Chamber of Commerce for Raisin Day and Cinco de Mayo events.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

Sills requested street closure for the cruise night and car show event which is planned to be similar to last year's event. Sills reported that a beer garden is planned where beer and wine are sold. The setup will be the same as last year. She requested a time extension on the beer garden.

It was motioned by Council Member Morales, second by Council Member Gonzalez, to authorize the street closure and beer garden.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

#### 4.6. Chris Launer – Relay for Life Banner Suspension on Alta Avenue, March 16 – April 2, 2012

Chris Launer was present to request authorization to suspend the Relay for Life banner over Alta Avenue from March 16 to April 2.

It was motioned by Council Member Morales, second by Council Member Harness, to authorize suspension of the banner over Alta Avenue as requested.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

#### 4.7. Unscheduled

Celia Gutierrez, 41978 Rd 72 was present with her son who said his mother is building a house on the property and the permit fees have escalated. They were present to request forgiveness of an obligation to pay permit fees in the amount of \$120,000. Gutierrez explained that the developer who constructed the property improvements was given credit for them by the City and therefore, Gutierrez requested that those improvements might be forgiven.

City Manager Todd suggested that this item since it was not on this agenda, come back at the next Council meeting to give the Council more information on which to base a decision.

#### CONSENT CALENDAR

- 5.1. City Council Regular Meeting Minutes, January 24, 2012
- 5.2. Dinuba Housing Authority Meeting Minutes, February 14, 2012
- 5.3. Set Hearing – Submittal of an Application in Response to the 2012 CDBG NOFA; March 13, 2012
- 5.4. Set Hearing - Proposed Revisions to the CDBG Program Income Re-use Plan; March 13, 2012
- 5.5. Set Hearing - Transfer of \$380,000 in CDBG Program Income from the 09-STBG-6448 Grant to a “Public Facility Rehabilitation” Activity; March 13, 2012
- 5.6. Set Hearing - Approval of the Dinuba Housing Authority Sale of Real Property Located at 1821 East Mountain View, Dinuba to Antonio and Micaela Perez; March 13, 2012

It was motioned by Council / Agency Member Morales, second by Council / Agency Member Gonzalez to approve the consent calendar as presented.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

#### WARRANT REGISTER

- 6.1. Approval –Warrant Register, February 17, 24, 2012

It was motioned by Council Harness, second by Council Member Gonzalez, to approve the warrant register as presented.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

#### MAYOR’S / CHAIR’S MINUTE

- 7.1. 2012 Relay for Life Proclamation No 2012-01

Vice Mayor Hinesly presented a proclamation to Marion Buller who was representing the Relay for Life committee. Buller invited the Council to the event on March 31.

- 7.2. Historic Korean Sites, Proclamation No 2012-02

Vice Mayor Hinesly said the proclamation before the Council will be presented to the Korean Delegation at Saturday’s commemorative event.

It was motioned by Council Member Gonzalez, second by Council Member Morales, to ratify Proclamation No 2012-02 as presented.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

### 7.3. Information Sharing

Vice Mayor Hinesly said she attended the recent TCAG meeting and she shared some upcoming “Pulling for the Cure” on March 24 and other related events for Relay for Life which is the following week on March 31.

### COUNCIL / AUTHORITY COMMENTS

#### 8.1. Request for Excused Absence – Scott Harness, February 14, 2012

It was motioned by Council Member Morales, second by Council Member Gonzalez, to approve the request for excused absence for Scott Harness at the February 14, 2012 meeting.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

#### 8.2. Reappointment to City Boards / Commissions / Committees

- Sandy Sills, Dinuba Economic Development Committee

It was motioned by Council Member Morales, second by Council Member Harness, to approve the reappointment of Sandy Sills to the Dinuba Economic Development Committee as requested.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

#### 8.3. Joint Meeting of Dinuba City Council and Dinuba Unified School District, March 13, 2012

City Manager Todd said the next Joint City Council and Dinuba Unified School District meeting will be held on March 13, 2012.

#### 8.4. Reminder – Neighborhood Meeting, March 22, 2012, JFK Cafeteria, 6:30 pm

Council Member Harness said the Neighborhood meeting scheduled for March 22, 2012 is a follow-up meeting to the November 10, 2011 meeting.

8.5. Tulare County Local Agency Formation Commission (LAFCo) Alternate Public Member Application

City Manager Todd said the Tulare County LAFCo at-large position was vacated by resignation. Anyone who's interested in serving on LAFCo would be asked to fill out an application.

8.6. Application for Alcoholic Beverage License, Sidhu Estates Inc, 1405 W El Monte Way, Dinuba

City Manager Todd said the application before the City Council is a standard application for the sale of alcoholic beverages.

It was motioned by Council Member Gonzalez, second by Council Member Morales, to approve the application as presented.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

8.7. Information Sharing

None

CITY MANAGER

10.1. Ash Ghaly and KPPA - Letter of Intent to Purchase Real Property, APN 017-290- 007 and a Portion of 017-290-008

Dr. Ash Ghaly was present representing the Kaweah Preferred Physicians Alliance, a multi-specialty group, who is interested in purchasing and developing property who would lease the property to Kaweah Hospital for medical services purposes. Dr. Ghaly explained the focus is to provide total patient care.

David Garrett, Director of Rural Health Clinics for Kaweah Delta, was present and shared he has been working with Dr. Ghaly's group for the last year. He shared the group is approximately 35 doctors who would like to bring their specialties to Dinuba. They have been successful in running clinics in other rural areas. This would bring about 13 healthcare jobs to the immediate area and the group would like to promote from this area. Garrett said there are a couple providers who have worked in the area and would like to return to this area. Very excited about this and will make a presentation to the Kaweah Board in April.

City Manager Todd said the letter of intent is before the Council but there are a couple issues with it which the Council should discuss prior to taking action on the request. The property in question is to the south of KFC.

Dr. Ghaly said they are planning to build a 5,000 sq ft building and in the future another 5,000 sq ft. will be added requiring a large area for parking.

Council Member Harness asked City Manager Todd if staff foresees an issue with allowing the sale of property and use since we recently leased a facility and sold another to medical providers who will provide similar care.

City Manager Todd referred the question to Dr. Ghaly.

Dr. Ghaly said this is a totally different type of care than that which will be provided by the other providers.

10.2. Charles Smyth, Market Street Development LLC - Letter of Intent to Purchase Real Property, a Portion of APN 017-290-008

Charles Smyth Market Street Development, 1104 Corporate Way, Sacramento CA, is working for a group of doctors to build a dialysis center. He explained that the Center would have 28 to 32 stations and would be about 9,500 sq. ft. in size. Smyth said he is not involved with the operational side of the proposal.

City Manager Todd said there is no real concern with the proposal. The location may be an issue depending upon the additional optional 2 cares that Dr. Ghaly is interested in.

Ana Wisocki representing Dr. Thusu said there are no issues with Dr. Ghaly or Smyth's proposals.

Pablo Contreras, 500 North L Street, said he wants to be considered if the two offers for purchase of the subject property fall through. He said he was interested in purchasing industrial property a few years ago when the cost was much higher.

The Council directed staff to move forward with the purchase and sale agreements.

10.3. Information Sharing

None

BREAK

Vice Mayor Hinesly declared a break at 8:40 pm.

RECONVENE FROM BREAK

Vice Mayor Hinesly reconvened the meeting at 8:49 pm.

CITY ATTORNEY

9.1. Medical Marijuana Enforcement Including Distribution, Cultivation and Zoning in Industrial, Commercial and Residential Neighborhoods within the City Limits

City Attorney McCloskey presented a draft ordinance to the Council to consider information for the Medical Marijuana guidelines.

The Council discussed some of the proposals in the ordinance and talked about possible controls.

Council directed staff to bring back the proposed ordinance for consideration at a later date.

9.2. Transfer of City of Dinuba Real Property Located at 1821 East Mountain View, Dinuba to the Dinuba Housing Authority, Resolution No 2012-15

City Attorney McCloskey explained that this item is related to the transfer of Property at 1821 Mountain View to the Dinuba Housing Authority.

It was motioned by Council Member Harness, second by Council Member Gonzalez, to adopt the resolution as presented.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

9.3. Acceptance by Dinuba Housing Authority of Real Property Located at 1821 East Mountain View, Dinuba from the City of Dinuba, Resolution No 2012-02

City Attorney McCloskey said this this is a request to the Housing Authority to accept the property located at 1821 East Mountain View from the Dinuba City Council and approval by adoption of Resolution No 2012-02.

It was motioned by Board Member Morales, second by Board Member Harness, to adopt Resolution No 2012-02 as presented.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

9.4. Information Sharing

None

PUBLIC WORKS

12.1. Information Sharing

None

## ENGINEERING SERVICES

### 13.1. Information Sharing

Engineer Uota shared that El Monte Way will be closed for a few days for construction but there will be signs posted each direction east and west so motoring public will be advised of the closure.

Uota shared the Rd 80 project will cause a closure of the railway for a short while and the town ditch piping project caused a delay.

Uota shared that Perko's Restaurant plans to open late March dependent upon how training efforts go.

## FIRE SERVICES

### 14.1. Information Sharing

None

## POLICE SERVICES

### 15.1. Information Sharing

Chief Olvera shared that the police reserves participated in the recent World Ag Expo.

## FINANCE AND COMMUNITY SERVICES

### 11.1. Award of Carnival Contract

Sports Supervisor Carrillo presented information in regard to the Request For Proposals (RFP) for Carnival services. He shared that the RFP was sent to eleven companies that provide carnival services. From those 11, staff received one regret and one proposal from California Carnival Company. Carrillo requested that the City Council authorize staff to finalize an agreement for services and award the contract to California Carnival Company.

It was motioned by Council Member Morales, second by Council Member Gonzalez, to authorize staff to finalize an agreement for services and award the contract to California Carnival Company.

AYES: Harness, Hinesly, Morales, Gonzalez

NOES: None

ABSTAIN: None

ABSENT: Smith

### 11.2. Request for Public Right-of-Way Closure for Korean Commemorative Parade Route, March 3, 2012

Carrillo presented a request for public right-of-way closure in order to hold the Korean Commemorative Parade. Carrillo explained the route to be taken by the parade.

It was motioned by Council Member Morales, second by Council Member Gonzalez, to approve the request for street closure to hold the Korean Commemorative Parade.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

### 11.3. Information Sharing

Carrillo shared that youth basketball signups will continue through March 22; Registration for baseball / softball will be taken through tomorrow and registration is down in numbers.

Carrillo shared that there has been some maintenance removal of some of the trees downtown as they are a nuisance and issues with safety.

Carrillo shared that Director Nunes will return on Monday.

EMERGENCY ITEM (added to agenda)

### 11.4. Purchase of RDA / Successor Agency properties and equity interest

City Manager Todd explained the purpose of the Successor Agency as relates to the item before the Council. He explained that the Successor Agency is in place to make sure that the now defunct Redevelopment Agency business is carried out in an efficient and expeditious manner and the obligations are met and assets liquidated. As the city council purpose is to look out for the community and meet the needs and its success.

Staff received a call from AMBAK which is the national insurer who insured all our municipal bonds which were initially placed with the Redevelopment Agency. AMBAK is concerned, statewide, about the status of bonds. A number of things are happening most of them involve the inability of agencies to continue business as has been done in the past. AMBAK's position is, if it insures those agencies, wants to make sure it won't have to pay out insurance money and thereby preventing a financial disaster.

AMBAK knew the successor agency was getting ready to draw down to make the February bond payments. Up until Friday, Todd said, he was confident the reserves could be used to make the payments but in speaking with AMBAK it became apparent that it was not something that the successor agency wanted to do and equally the city did not want to be associated with that action, primarily because it created some issues with the technical payment of those bonds. Even though in our case we wouldn't be in a condition to default but it would put a black cloud on our credit worthiness; and, would we want to go back into the bond market to sell bonds, the credit rating might have made it impossible. They advised us to find ways to avoid using reserves because in the

long run it will serve us. Todd gave examples of how the tax increment capacity will work for our city. He said there's plenty of capacity in the tax increment but the timing is the issue.

Todd said this discussion on Friday continued on to Monday and the City Attorney and the Bond Counsel were involved in conversation because of some other issues that occurred. At the end of the conversation we agreed that we needed to explore as many options as possible to keep from drawing down on those reserves. Although from the City's point of view unless we have bonds to sell it probably wouldn't create any issues for us. As a Successor Agency, it will create issues and the biggest issue is we have some bond sale to make next year and if the Successor Agency can't sell those, it will create significant issues. Even if they are sold at a higher interest rate the Successor Agency would not have fulfilled their responsibility as a Successor Agency. You want to fulfill those responsibilities as efficiently as possible. You want to end up with freed up tax increment that can then be distributed to the other taxing entities. Todd gave examples of this. If you look at our cash flow this year and next, there will be an ending balance of \$3.6 million but you need a portion of that to carry over to the following year, about \$1.6 million to make bond payments. The Successor Agency won't get to keep the money as but it gets distributed to the taxing entities. If we get 20% of the tax dollar, 20% of the taxing dollar is \$200,000. That is the end purpose to wind down the business of the Redevelopment Agency as the SA, sell the assets, free up the tax increment and allocate the shares to the taxing entities. To do that as a SA you must make decisions that effectively manage responsibilities and carry out those roles.

As for the City, if AMBAK is telling us, "don't do this, find another way," we refer to the EOPS, the land purchase contracts were entered into about five years ago to help us develop the next phase of the industrial park and to expand the wastewater treatment plant and associated projects we entered into six contracts; the Redevelopment Agency has been paying those contracts the past five years. When AB26 passed in June 2011, it said financial arrangements between the RDA and the City weren't allowed. We were upset over that because the City had loaned the RDA \$2 million and this meant we couldn't get it back and it also meant the agency couldn't make the payments. We hoped we would be able to make the payments, the Successor Agency would pay those off and then we would step in two years later, negotiate the purchase of those properties and spread the payments over 5 years. That's not going to happen. We made 2 payments in October and November we will have to repay around \$597,000.

Todd recommended that the Council do whatever possible to repay the payments. He said this is the future for job creation, economic development, things that will keep our economic base growing. We will be glad we have this property in the future to keep our economic base growing. He said let's find a way to keep this going. We entered into contractual agreements with these landowners and we want to keep this going. We feel this is a successful way to make the Successor Agency meet cash flow needs.

Todd said a decision must be made tonight and some of the money must be sent to the trustee tomorrow and the balance in the next ten days. This will keep the agency on track with this and other things. Not taking into account things out of our control like what we're in the midst of now.

Todd recommended The Successor Agency will be required to make a \$1.6 million payment next month on tax allocation bonds and notes next month; there's plenty of money in tax increment in this proposal it's just a timing issue. Todd recommended going forward with the remaining payments on

the properties. He said he believes we must pay a little extra because the Agency has equity interest on 5 years of payments already made, the law on AB26 is specific that Successor Agency must make the best deal it can when dealing with the sale of properties and we recognize the fact that if payments have been made for 5 years there is equity in the properties and we want to make sure that if the Oversight Board says no or sends it back or it gets to the State Department of Finance and the department says you can't buy property for \$5,000 or \$6,000 an acre, that's not market value, go back and do this over; the Successor Agency has the ability to do so. From the City's point of view we have to find some balance that's fair to both Agencies, the purchaser and the seller.

Todd recommended the City pay back \$597,000 which we have to immediately, as required by law, be prepared to pay \$625,121 for the agency's release of claims against the city for interest in the property. That amount plus the cash balance that's already in the account gives them enough money to make their payments. Then we would give them a final payment of \$465,000 prior to August and that would meet our commitment for the equity interest and the reimbursement amount but Council doesn't need to take that action tonight. Tonight action must take place on the urgency action which is the repayment of \$597,000 and \$625,121 but only contingent upon approval by the Oversight Board, which is meeting Friday at noon and then there is a three day window which the State Department of Finance has the opportunity to make their opinion on the sale of the property. The release of the funds would occur prior to the next Council meeting.

Council Member Harness asked is there a Plan B in place should it get kicked back.

Todd said the only way it would be stopped is if someone thought it was not fair by either the Oversight Board or the State Department of Finance. It is a fair value at \$13,000 an acre and there are not a lot of buyers right now but it helps the Agency conduct their business in an orderly manner. If it got overturned the issues would be dealt with as early as possible. This is also important to us because this is property we plan on having for a long time. Todd said after looking at the properties closely and the equity, he feels the acreage is worth \$13,000 per acre.

Council discussion followed.

It was motioned by Council Member Morales, second by Council Member Gonzalez to:

1. Reimburse the Agency for over-payment on the Ramirez, Moya, Hada, Krause and Sandridge contracts in the amount of \$597,879.
2. Make a payment of \$597,897 on February 29, 2012; make a payment of \$625,121 three days after approval by the Oversight Board (on or about March 8, 2012); and the balance of \$465,073 prior to August 1, 2012.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

BREAK

Vice Mayor Hinesly declared a break at 10:03 pm.

RECONVENE FROM BREAK

Vice Mayor Hinesly reconvened the meeting at 10:22 pm.

BUDGET AMENDMENTS

Finance Manager Cook explained the proposed budget amendments

It was motioned by Council Member Harness, second by Council Member Gonzalez to adopt amended budgets as presented.

AYES: Harness, Hinesly, Morales, Gonzalez  
NOES: None  
ABSTAIN: None  
ABSENT: Smith

CLOSED SESSION ACTION

16.1. Ash Ghaly and KPPA - Letter of Intent to Purchase Real Property, APN 017-290- 007 and a Portion of 017-290-008

The City Council did not meet in closed session with City Manager Todd to discuss a letter of intent to purchase real property APN 017-290-007 and a portion of 017-290-008.

16.2. Charles Smyth, Market Street Development LLC - Letter of Intent to Purchase Real Property, a Portion of APN 017-290-008

The City Council did not meet in closed session with City Manager Todd to discuss a letter of intent to purchase real property, a portion of APN 017-290-008

ADJOURNMENT

Vice Mayor / Vice Chair Hinesly adjourned the meeting at 10:25 pm.

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Linda Barkley, Deputy City Clerk / Secretary