

COUNCIL MEMBERS PRESENT: Payan, Smith, Wallace, Morales, McKittrick

STAFF MEMBERS PRESENT: Anderson, Barkley, McCloskey, Nunes, Olvera, Todd

CALL TO ORDER

The meeting was called to order at 12:01 pm.

INVOCATION

The invocation was led by Council Member McKittrick

FLAG SALUTE

The flag salute was led by Vice Mayor Morales.

PUBLIC COMMENT

None

COUNCIL COMMENTS

Mayor Wallace and Council Member McKittrick attended the School Superintendent's back to school address.

OFFICE OF THE CITY MANAGER

- 6.1. Tax Revenue Anticipation Note, Resolution No 2010-47, Issuance and Sale of 2010-11 Tax And Revenue Anticipation Notes an Amount Not to Exceed \$1,170,000, Authorizing execution and Delivery of A Note Purchase Contract and Approving Other Matters Relating Thereto

City Manager Todd announced that there were two members of the grand jury in the audience and 2010 City Council candidate Joe Rivera.

City Manager Todd introduced Doug Anderson of Urban Futures who presented the Tax Revenue Anticipation Notes item.

Anderson said the notes will become due in June 2011, and an aggregate principal amount not to exceed \$1,170,000. The City is pledging to repay the principal in three installments. There are buyers for this type of debt. This particular issue has the terms of repayment in the resolution with no separate indenture. There is only one resolution for the Council to consider and we anticipate closing September 29 or approximately therein. He requested approval of the Preliminary Official Statement and the Resolution numbered 2010-47. He also requested that the Council approve the proposed Note Purchase Contract.

Council Member Smith asked how the note size is determined.

Anderson said a federal formula is used to calculate the need. It is calculated according to cash flow ability. Discussion followed as to penalties and repayment of funds which are over-borrowed. He explained that if too much is borrowed the money is repaid within a year plus interest.

Director Nunes explained how the funds are drawn and repaid and how cash flow occurs. Nunes explained why we are going with TRAN instead of going through our bank. The money will be used for bonds, loans, cash flow and operating reserves.

Mayor Wallace asked about the interest rate. Anderson said the stated interest rate on the notes is 4.5 and there is an interesting structure called a premium interest rate. The buyers' interest rate is about 3 percent which is tax exempt.

Council Member Smith asked why our bank would not work with us and Nunes said the underwriters are nervous about lending the money and that with the new staff of our bank doesn't allow for the short term loan. We don't have a banking relationship with other banks making it necessary to go for the TRAN.

Council Member Smith asked when we will receive the funds. Nunes said at the end of September.

Mayor Wallace asked if this is a line of credit where only what is needed is drawn.

Anderson explained the money is borrowed all at once and if along the way things change and we are able to, we could pay it back early.

Director Nunes said the interest from the funds will go into our LAIF account which cannot be touched by the state.

It was moved by Council Member McKittrick, second by Council Member Smith to adopt Resolution No 2010-47.

AYES: Payan, Smith, Wallace, Morales, McKittrick

NOES: None

ABSTAIN: None

ABSENT: None

6.3. Information Sharing

City Manager Todd said the developer had indicated that the new Big 5 will be completed next week.

ADJOURN TO CLOSED SESSION

Mayor Wallace adjourned the meeting to closed session at 12:21 pm.

RECONVENE FROM CLOSED SESSION

Mayor Wallace reconvened the meeting at

CLOSED SESSION ACTION

The Mayor reconvened the meeting from Closed Session at 1:00 pm.

6.2. Meet and Confer

The City Council directed staff to maintain the proposal to the Police Association except for two changes:

1. The effective date of the Police Personal Retirement Plan, as described in the MOU, is July 1, 2012 for Fiscal Year 2012/2013.
2. Furlough days changed from one-half day to one full day per month for Fiscal Year 2010/2011.

ADJOURNMENT

Mayor Wallace adjourned the meeting at 1:01 pm.

Mark Wallace, Mayor

ATTEST:

Linda Barkley, Deputy City Clerk