

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

COUNCIL / BOARD MEMBERS PRESENT: Harness

STAFF MEMBERS PRESENT: Anderson, Barkley, Nunes, Todd

CALL TO ORDER

Mayor / Chair Smith called the meeting to order at 12:03 pm.

INVOCATION

The invocation was led by Council / Board Member Gonzalez.

FLAG SALUTE

The flag salute was led by Vice Mayor / Vice Chair Hinesly.

PUBLIC COMMENT

4.1. Unscheduled.

None

CITY COUNCIL / BOARD COMMENTS

5.1. Approval of Proposed Bond Documents (2011A) and 2011B) for the Refunding of Dinuba Redevelopment Agency Subordinate Tax Allocation Notes, Issues 2006 and 2007

A. City Council Resolution No 2011-25

Approving the Issuance by the Dinuba Redevelopment Agency of Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project Area No. 2, As Amended, Tax Allocation Refunding Bonds, Issue Of 2011A, in a Principal Amount of Approximately Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) and Making Certain Determinations Relating Thereto

B. City Council Resolution No 2011-29

Approving the Issuance by the Dinuba Redevelopment Agency of Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project Area No. 2, As Amended, Subordinate Tax Allocation Refunding Bonds, Issue Of 2011B, in a Principal Amount of Approximately Eight Million Dollars (\$8,000,000) and Making Certain Determination Relating Thereto

C. Redevelopment Agency Resolution No 2011-07

Authorizing the Issuance of its Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project Area No. 2, As Amended, Tax Allocation Refunding Bonds, Issue Of 2011A in a Principal Amount of Approximately Seventeen Million Five Hundred Thousand Dollars (\$17,500,000), Approving Certain Documents and Taking Certain Other Actions in Connection Therewith

D. Redevelopment Agency Resolution No 2011-08

Authorizing the Issuance of its Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project Area No. 2, As Amended, Subordinate Tax Allocation Refunding Bonds, Issue Of 2011B in a Principal Amount of Approximately Eight Million Dollars (\$8,000,000), Approving Certain Documents and Taking Certain Other Actions in Connection Therewith

City Manager / Executive Director Todd introduced Marshall Linn, Urban Futures who presented the information to the Council / Agency.

Council / Board Member Morales arrived at 12:06 pm.

Linn said these are trying times with State of California. He said Todd has been helpful by talking with assembly and the senate. Thinks we are in better shape than we were in January. Within last couple weeks there has been introduced a compromise Bill between the democrats and republicans. There is a provision that if the budget is not adopted by June 15 that legislators won't get paid.

Linn said Redevelopment has not gone away but will be in a different style in the future. The Agency in 2006 and 2007 when The State was experiencing growth, we issued short term tax allocation notes. He explained that Notes are instruments where we pay only interest with the anticipation of taking out fully matured bonds. No one in the US would have predicted the falling of banks and all we've experienced lately with the economy.

The total amount of bonds was about \$14.5 million. The bonds were used for the waste water treatment plant. Unfortunately we don't have enough money now to fully amortize the bonds. We want to roll notes over into bonds; we have a responsibility to do so. One option is to roll them over again but it's too expensive to do.

The cheapest and most expedient way is to move ahead with two series of bonds, A and B. The A series will be senior to the B series and the interest is lower for A bonds. We feel we have a structure that will be profitable and now feel we have a structure that works. The market has decreased in the last couple weeks which is positive. The A bonds would not exceed \$12 million dollars and the B series not to exceed \$5 million. That will save the Agency a lot of money.

When Jerry Brown brought his bond bill he artificially inflated the bond rate. Inadvertently it forced bond rates to be high but the rates have recently come down. Linn said he's not sure what they will do in the next 30 days. Sometime over the next 5 to 10 years, there will be a lull and we'll be able to refinance. The bond rate is anticipated to be about 6.5% and the junior series will be at about 7.5% which is not great but will help us deliver what we promised years ago.

Linn said that all four Resolutions need a slight change in verbiage adding to Section 3 the words "...a successor underwriter as approved by the City Manager..." Linn said if the changes are acceptable to Agency he would ask that the City Council and Agency consider and adopt the resolutions with the noted verbiage changes; and, the amount of Series A Bonds are \$12,000,000 and the B Series are \$5,000,000.

It was motioned by Council Member Morales, second by Vice Mayor Hinesly, to adopt Resolution No 2011-25 with the noted change in verbiage as presented by Marshall Linn, "...a successor underwriter as approved by the City Manager / Executive Director ..." and the amount of Bond Series A is \$12,000,000.

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

It was motioned by Council Member Gonzalez, second by Vice Mayor Hinesly, to adopt Resolution No 2011-29 with the noted change in verbiage as presented by Marshall Linn, "...a successor underwriter as approved by the City Manager / Executive Director..." and the amount of Bond Series B is \$5,000,000.

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

It was motioned by Board Member Morales, second by Vice Chair Hinesly, to adopt Resolution No 2011-07 with the noted change in verbiage as presented by Marshall Linn, "...a successor underwriter as approved by the City Manager / Executive Director ..." and the amount of Bond Series A is \$12,000,000.

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

It was motioned by Vice Chair Hinesly, second by Board Member Morales, to adopt Resolution No 2011-08 with the noted change in verbiage as presented by Marshall Linn, "...a successor underwriter as approved by the City Manager / Executive Director..." and the amount of Bond Series B is \$5,000,000.

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

CITY COUNCIL / BOARD COMMENTS (continued)

5.2. Reminder – League of CA Cities South San Joaquin Valley Division General Meeting, June 9, 2011

City Manager Todd reminded the Council Members of this week's League Division meeting.

5.3. Information sharing

None

CITY MANAGER / EXECUTIVE DIRECTOR

6.1. Information Sharing

City Manager Todd said he was in Sacramento last week lobbying for a reform bill and he met with local legislators who were very supportive voting in favor of keeping RDA.

Vice Mayor Hinesly asked of the substance of reform bill.

City Manager Todd said it addresses blight, limits the size of districts, limits what we can add at any given time. We've added language because as it is proposed we wouldn't be able to do anything within the city but we could with the county. It changes the formula on the tax allocation and pretty much takes schools out of it. So the money available to Agencies is significantly less but it would be more if there was a general formula. It's an alternative the democrats and republicans could get behind. It is preferable to the elimination of RDA.

Mayor Smith asked what it will save the State.

Todd said in the short term it doesn't deal with their problem. We are not sure how it will end up and we could come back and say we like it but we want money for cities. No one knows how it will end.

Mayor Smith commented that the money has to come from somewhere.

Linn commented that if the governor had the vote power to do away with the RDA, they would have had it. He added that he finds it interesting that the republicans from Orange County have held out. We have held tight. Republicans realize that without RDA there is now way for cities to grow. The governor recently committed a faux pas with his recent actions. No one seems to know what the end will be.

Council discussion followed.

Council Member Morales left the dais at 12:29 pm.

PUBLIC WORKS

7.1. WWTF Phase I Construction Change Order #3 Findings

City Manager Todd presented the information recommending approval of Contract Change Order No.3 to replace the aging Headworks Pumps and provide a standby generator and complete the scope of work for the CEC loan to provide for increased energy efficiencies at the WWRF. He said the Headworks is 30 to 40 years old and the proposed change order is in the amount of \$569,125 and will be funded by the Wastewater Reclamation Facility, Phase 1 Improvements Project budget consisting of 2010 Lease Revenue Note proceeds in the amount of approximately \$300,000- and the balance of the CEC loan in the amount of approximately \$269,334. He added that the pumps must be replaced and timing is good.

Council discussion followed.

It was moved by Council Member Hinesly, second by Council Member Gonzalez, to authorize the City Manager to approve and sign the Contract Change Order No. 3 for the WWRF, Phase 1 Improvements as presented.

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

ADJOURNMENT

The meeting was adjourned at 12:33pm.

Mike Smith, Mayor / Chair

ATTEST:

Linda Barkley, Deputy City Clerk / Secretary