

MINUTES OF JOINT CITY COUNCIL/
CITY COUNCIL AS SUCCESSOR AGENCY TO DISSOLVED
REDEVELOPMENT AGENCY MEETING
COUNCIL CHAMBERS
901 SHERMAN AVENUE
OCTOBER 30, 2012 – 6:30 PM

A. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Present: Mayor Athas
Mayor Pro Tem Eklund
Councilmember Kellner
Councilmember Lucan
Councilmember MacLeamy

Absent : None

Also Present: City Manager Michael Frank, Assistant City Manager Cathy Capriola, Finance Manager Brian Cochran, Assistant City Attorney Veronica Nebb and City Clerk Sheri Hartz.

B. CEREMONIAL MATTERS/PRESENTATIONS

Proclamation: Veterans Day 2012

The Mayor announced that the video that had been playing before the meeting began, entitled "Homecoming", was a tribute to veterans and their families and was created by Larry Dito. She then called up Jim Mahoney, Jim Henderson, Ramona Chipman, Bill McDill, Jack Marshall to accept the proclamation in honor of Veterans Day 2012.

C. APPROVAL OF FINAL AGENDA

*Councilmember Kellner moved, Seconded by Mayor Pro Tem Eklund, to approve the Final Agenda. **The motion was carried unanimously.***

D. PUBLIC COMMENTS

1. Owen Haxton offered corrections to the minutes of September 10, 2012, stating that the wording in the first sentence, "language in the trust agreement" should be changed to read "project documents". He also stated that Phillip Hoon's last name was incorrectly shown as "Boon". He added that Ms. Nebb's response to Mr. Oltman's concerns indicated that she would need to review the documents before she could advise the Council on them. He said that it appeared that Ms. Nebb's response was incomplete in

the minutes and requested that the following be added: "as I recall, being unable to obtain financing, the PAC did approach the City Council and requested their help to obtain MVMCC from the Sades (previous owners) and, yes, the NFA was formed to purchase MVMCC, however, I believe the documents indicate clearly that the PAC purchased MVMCC from the Sades and that the NFA then purchased MVMCC from the PAC."

2. Peggy Hill spoke in opposition to the possible change in location of Curves Fitness.
3. Michael Read spoke in favor of postponing the bond refinancing issue.
4. Roberta Urquhart read from a 1997 disclosure statement from the City regarding the Marin Valley transaction, and noted a correction needed to the MVMCC website.

E. CONSENT CALENDAR

1. ADOPT CITY COUNCIL MINUTES OF SEPTEMBER 10, 2012 (MVMCC)

The minutes of the September 10, 2012 meeting were approved.

2. INFORMATION ON CONSUMER PRICE INDEX PERCENTAGE CHANGE FOR CALENDAR YEAR 2013

Council received information on the Consumer Price Index percentage change for calendar year 2013. There will be no impact on rents due to Council's decision to not raise rents for the 2013 Calendar Year. (Informational only.)

*Councilmember MacLeamy moved, Seconded by Councilmember Kellner, to approve the Consent Calendar. **The motion was approved unanimously.***

F. GENERAL BUSINESS

3. TRUST FOR PUBLIC LAND PROPERTY ACQUISITION OPPORTUNITY

Consider receiving information on the Trust for Public Land property acquisition opportunity. (Informational only.)

City Manager Frank provided the staff report, stating that this item was informational in nature and that no decision would be needed from Council at this time.

PUBLIC COMMENTS

5. Ray Schneider asked whether this transaction could be incorporated in the refinancing package.

6. Michael Read inquired whether funds from the Park would pay for the land or would the City fund the purchase.
7. Owen Haxton stated that in 1997, PAC met with TPL at least twice, and they wanted money. He said that the Park wanted it donated back to them, but the talks didn't go far. He added that Barbara Salzman from the Audubon Society was also involved in trying to obtain the lands and may be interested in participating again.
8. Valerie Barbour said this had been discussed before, and that prior interest was only in the upper portion. She asked who would be financially responsible in case of a natural disaster. She supported the proposal as stated in the staff report to keep it as open space in perpetuity.
9. John Shelfer asked whether the value of this land was that it could be traded for land in Hamilton that can be developed, whereas this is wetland, steep and difficult to build on. He suggested that a developer might like to pay for the needed infrastructure improvements.

Mr. Frank responded to public questions, stating that this item was for information only, that staff had not done in depth analysis of the issue as yet and that nothing was currently underway. He clarified that there was no property being "traded", but that this would be an attempt to remove recreation restrictions from Hamilton properties and put them instead on some of the land being discussed.

4. RECOMMENDATION TO CONTRACT WITH BANK OF MARIN FOR A PRIVATE PLACEMENT REFINANCING OF MVMCC BONDS

Provide direction to staff regarding the refinancing of the MVMCC bonds as a result of the private placement Request for Proposal and the favorable submittal provided by Bank of Marin.

1. Approve the attached Resolution approving the base parameters of the refinancing and providing Council's direction to enter into a 15 year refinancing loan with Bank of Marin.
2. Direct staff to complete the following work necessary to effectuate the refinancing with Bank of Marin:
 - a. Obtain an appraisal; the appraiser is to be engaged by the Bank using appraisal methods and standards acceptable to the Bank. Cost is estimated to be approximately \$5,000-\$10,000 for the appraisal.
 - b. Complete an Environmental Questionnaire for the MVMCC property.

- c. Complete all legal and financial work necessary to complete the refinance.
3. Return to Council (tentatively scheduled for December 11, 2012) to execute the loan documents and any other documents necessary to effectuate the refinancing and retirement of the existing bonds.

Assistant City Manager Cathy Capriola introduced the item, stating that it would be presented jointly by herself, Finance Manager Brian Cochran and consultant Sarah Hollenbeck from PFM.

Ms. Hollenbeck reported on the RFP process and the key financial terms that were outlined in the RFP.

Council asked questions on Ms. Hollenbeck's portion of the presentation.

Finance Manager Brian Cochran gave the remainder of the presentation, discussing the interest earnings and debt service impact of refunding, and building long term reserves. He concluded by outlining staff's recommendation to refinance with Bank of Marin.

Assistant City Manager Capriola then laid out the requested direction and next steps and invited Council questions.

PUBLIC COMMENT

10. Jim Olson spoke regarding PAC questions that were not answered in the presentation. He stated that the numbers have changed each time this matter had been discussed. He asked whether other financial institutions besides banks were offered the RFP and stated he would like to see the property condition report. Regarding the original loan documents, he wondered about the costs of rewriting them and associated legal costs.
11. Ray Schneider, spoke in support of refinancing but was concerned that he could not determine how the numbers were derived.
12. Valerie Barbour stated that she found the proposal impressive, but questioned whether, if the bonds were negated, would all agreements involving the bonds need to be changed. She also stated that there should be an attorney for the Park.
13. John Shelfer urged that the matter be tabled until there was a better understanding of the numbers and said he would like to see clarification of the net effect over entire period.
14. Ed Johnson expressed concern about when preliminary new documents would be available for review at the Park.
15. Dave Kenyon stated that he was the attorney and broker for Park residents when the original agreement was done in 1997. He expressed concern over some of the

calculations on slide 11, which he said did not add up correctly, but said he was glad to see the transaction staying local.

16. Mike Read stated opposition to tax exempt bonds. He said an appraisal had been done in 2007, paid for by Council, and wondered what the cost would be to redo it. He asked about amount needed to perform the maintenance shown in the property status report and asked if there would be a rent increase. He urged postponement of the decision until the numbers could be clarified.
17. Gail Meyers asked whether the city or the Councilmembers did business with the Bank of Marin.

*Mayor Pro Tem Eklund moved, Seconded by Councilmember Lucan, to approve Resolution No. 94-12 directing staff to complete the work necessary to refinance the MVMCC Senior Revenue Bonds with Bank of Marin and to return to Council to authorize the execution of the loan documents and other necessary documents related thereto. **The motion was approved unanimously.***

At 8:28 p.m., the Council took a brief recess and reconvened at 8:35 p.m.

Reconvene 8:35 p.m.

5. DIRECTION ON PROCESS AND BUDGET OF LONG TERM OWNERSHIP DISCUSSION FOR THE MARIN VALLEY MOBILE COUNTRY CLUB

Consider providing direction to staff regarding the proposed process and budget for a Council and resident discussion regarding the long term ownership of MVMCC.

Assistant City Manager Capriola gave the staff presentation which was followed by questions from Councilmembers.

PUBLIC COMMENT

18. Owen Haxton provided some historical information on previous ownership discussions.
19. John Shelfer spoke in favor of proceeding with the plan as outlined.
20. David Kenyon spoke in favor of eventual transfer of control of the Park over to the residents and stated they should have legal representation.
21. Mike Read asked what assets the City had given away, whether they were required to go through the same process and if the Council wanted the residents to own the Park or wanted to keep it.

22. Ray Schneider asked how much involvement the community outside the Park would have and whether their input would impact what the residents wanted.

G. REGULAR REPORTS

6. BUCKET ANALYSIS FOR THE PERIOD ENDING SEPTEMBER 30, 2012

No staff report was given.

7. PAC UPDATE/PARK MANAGEMENT UPDATE: Jim Olson, PAC President
(Al Frei unable to attend)

Mr. Olson provided a report on the kitchen project stating, that the bids came in high and that perhaps money could be moved in the budget to cover the shortfall.

H. BOARD/STAFF COMMENTS

None

8. Staff Updates

9. Determine Next Quarterly Meeting Date

The next meeting was not scheduled to occur until January or February of 2013.

I. ADJOURNMENT

The meeting was adjourned at 9:27 p.m. in honor of Mark Kellner, Councilmember Kellner's son, in celebration of Veterans Day.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Novato City Council.

Sheri Hartz, City Clerk