

JOINT CITY COUNCIL/  
CITY COUNCIL AS SUCCESSOR AGENCY TO DISSOLVED  
REDEVELOPMENT AGENCY  
CLOSED SESSION MINUTES  
COUNCIL CHAMBERS  
901 SHERMAN AVENUE  
DECEMBER 11, 2012 – 6:30 PM

A. CONVENE, PLEDGE OF ALLEGIANCE, AND ROLL CALL

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

Absent : None

Also Present: City Manager Michael Frank, Assistant City Manager Cathy Capriola, Police Chief James Berg, Parks, Recreation and Community Services Director Pam Shinault, Public Works Director Jason Nutt, Finance Manager Brian Cochran, Recreation Operations Manager Kathy Kormos, Assistant City Attorney Veronica Nebb and City Clerk Sheri Hartz.

B. CLOSED SESSION ANNOUNCEMENT

A closed session was convened upon adjournment of the open session, following the work study session. See Minutes after Adjournment.

C. CEREMONIAL MATTERS/PRESENTATIONS

Proclamation: Lieutenant Keith Heiden - Retirement

Lt. Heiden was present to receive a proclamation in honor of his retirement from the Police Department.

D. APPROVAL OF FINAL AGENDA, WAIVER OF THE READING OF ORDINANCES AND NOTICES OF INTENT

*Councilmember Kellner moved, Seconded by Mayor Pro Tem Lucan, to approve Final Agenda, Waiver of the Reading of Ordinances and Notices of Intent. **The motion was approved unanimously.***

E. PUBLIC COMMENTS

This comment session was for items not on the agenda or for items listed on the Consent Calendar.

1. Mike Read
2. Gail Meyers

F. CONSENT CALENDAR

1. ADOPT CITY COUNCIL MINUTES OF OCTOBER 23, 2012

The Council approved the minutes of the October 23, 2012 meeting.

2. 2012 ANNUAL REPORT OF THE NOVATO BICYCLE/PEDESTRIAN ADVISORY COMMITTEE

Council accepted the 2012 Annual Report from the Novato Bicycle/Pedestrian Advisory Committee (B/PAC).

3. NOTICE OF CONSTRUCTION COMPLETION FOR THE STREET RESURFACING OR RECONSTRUCTION 2011-12

Council accepted the work as complete and authorized the City Manager to sign the Notice of Completion for the Street Resurfacing or Reconstruction 2011-12 Project (CIP project 12-002).

4. NOTICE OF COMPLETION - HILL GYMNASIUM INTERIOR REPAIRS

Council authorized the City Manager to sign the Notice of Completion for the Hill Gymnasium Interior Repairs, CIP project 12-015.

5. APPROVAL OF ACTIONS TO AUTHORIZE THE EXECUTION OF A CONTRACT WITH HELLO HOUSING FOR ADMINISTRATION OF THE CITY'S BELOW MARKET RATE HOUSING PROGRAM

The City Manager was directed to execute a contract with Hello Housing for the administration of the City's Below Market Housing program and all associated transition tasks.

Council took the following actions in order to implement a new staffing and revenue program for the City's housing assets and function in the City's role as Housing Successor Agency:

1. Approved Resolution No. 100-12 directing the City Manager to execute a contract with Hello Housing based on their submitted proposal with annual and one-time costs for the administration of the City's Below Market Rate (BMR) affordable housing program.
2. Directed City staff to incorporate fees as appropriate to offset the costs of the program to the greatest extent possible while still understanding the

financial constraints of residents seeking to own or to sell a Below Market Rate home including the creation of a new Refinance Fee of \$550.

3. Approved transition of the administration of the City's BMR program from Marin Housing Authority (MHA) with sincere appreciation for MHA's partnership and professionalism over the last year:
  - a. Authorized staff to initiate, at an appropriate time, a 30 day contract termination notice required under the Cooperative Agreement; and,
  - b. Approved MHA's retention of the operating receipts from their administration of the housing program, estimated at \$17,330, that were collected when there was no compensation for their efforts; and,
  - c. Authorized the City Manager to execute any necessary documentation, including, but not limited to assignment agreements, necessary to transfer transactions that processed in MHA's name over the last year and to transition the administration of the Program.

6. CITY MANAGER EMPLOYMENT AGREEMENT

Council approved an amended employment agreement with City Manager Michael Frank.

7. AGREEMENT BETWEEN CITY AND NOVATO HISTORICAL GUILD

Council authorized the City Manager to execute the amended agreement with Novato Historical Guild.

8. SAFE ROUTES TO SCHOOL (SR2S) CYCLE 10 SAFETY IMPROVEMENT PROJECT - CIP 13-008 - CREATE PROJECT

Council adopted Resolution No. 102-12 amending CIP Budget for fiscal year 2012/2013 to include Safe Routes to School (SR2S) Cycle 10 Project, CIP project No.13-008 and (2) adopted Resolution No. 101-12 authorizing the City Manager to execute Program Supplement Agreement No.0J90 allowing the City of Novato to bill the California Department of Transportation \$441,600 for the Safe Routes to School (SR2S) Cycle 10 Project, CIP project No.13-008.

9. OLIVE AVENUE CLASS II BIKE LANES - HSIP CIP PROJECT NO. 13-009  
CREATE PROJECT AND FUND PRELIMINARY ENGINEERING

Council adopted Resolution No. 103-12 amending CIP Budget for fiscal year 2012/2013 to include Olive Avenue Class II Bike Lanes-HSIP Project, CIP Project No. 13-009.

*Councilmember Athas moved, Seconded by Councilmember MacLeamy, to approve the Consent Calendar, with Mayor Eklund voting No on Item F-7. **The motion was approved unanimously.***

G. UNFINISHED AND OTHER BUSINESS

No items were listed for this section.

H. PUBLIC HEARINGS

10. PROHIBITION OF EXCAVATION - MEASURE A GROUP 5 PAVEMENT REHABILITATION, CIP 13-001

Consider holding a public hearing for the ordering of prohibition of excavation in the traveled way of the streets identified in the rehabilitation list attached (Exhibit 'A') pursuant to Chapter 15-2.54 of the City of Novato Municipal Code.

Director Nutt gave the staff report, discussing both items H-10 and H-11 in the same presentation, and responded to Council questions.

11. PROHIBITION OF EXCAVATION - REDWOOD BOULEVARD AT OLIVE AVENUE TRAFFIC SIGNAL (AGP-7), CIP NO. 02-011

Consider holding a public hearing for the ordering of prohibition of excavation in the traveled way at the intersection of Redwood Boulevard and Olive Avenue, for the Redwood Boulevard at Olive Avenue Traffic Signal (AGP-7), CIP No. 02-011 pursuant to Chapter 15-2.54 of the City of Novato Municipal Code.

PUBLIC HEARING OPENED: 6:51 P.M.

3. Mike Read

PUBLIC HEARING CLOSED: 6:52 P.M.

*Councilmember MacLeamy moved, Seconded by Councilmember Athas, to approve Resolution No. 104-12, ordering prohibition of excavation in the traveled way of the streets identified in the rehabilitation list for the Measure A Group 5 Pavement Rehabilitation Project, pursuant to Chapter 15-2.54 of the Municipal Code. **The motion was approved unanimously.***

*Mayor Pro Tem Lucan moved, Seconded by Councilmember Kellner, to approve Resolution No. 105-12 ordering prohibition of excavation in the traveled way at the intersection of Redwood Boulevard and Olive Avenue, for the Redwood Boulevard at Olive Avenue Traffic Signal (AGP-7), CIP No. 02-011, pursuant to Chapter 15-2.54 of the Municipal Code. **The motion was approved unanimously.***

## I. GENERAL BUSINESS

### 12. APPROVE LOAN AGREEMENT WITH BANK OF MARIN AND ASSOCIATED ACTIONS FOR REFINANCE OF MVMCC 1997 SENIOR BONDS

Staff recommends the Council approve the attached Resolution and actions outlined below to allow the City to refinance the Marin Valley Mobile Country Club 1997 Senior Bonds by entering into a 15-year fixed rate tax-exempt loan at 2.805% with Bank of Marin.

- Adopt Resolution authorizing the borrowing of funds to refinance outstanding bonds related to the Marin Valley Mobile Country Club and approving related documents and actions.
- Approve and authorize the City Manager to execute the following agreements and instructions and to make minor modifications to the documents, following Council general direction, in order to complete the refinancing initiative. Authorize the City Manager to approve payments of the estimated expenses as outlined within this staff report.
- Approve a Loan Agreement between the City and the Bank of Marin in an amount to provide for the refinancing of the 1997 Senior Bonds and to pay related financing costs
- Approve a Negative Pledge Agreement between the City and the Bank pursuant to which the City agrees not to encumber the real property constituting the Park except for Permitted Encumbrances (as defined therein).
- Irrevocable Refunding Instructions given by the City to the 1997 Trustee, whereby the 1997 Trustee agrees to establish an irrevocable escrow fund to be held and invested for the purpose of paying the principal and interest on the 1997 Senior Bonds in full.
- Approve outstanding budget issues including: (1) Transfer of \$50,000 from the Replacement Reserve to the FY 12/13 Operating Budget for capital projects that were approved previously but not completed and (2) Reimburse the City for unpaid "Owner's Expenses" \$51,813 from funds available as part of the refinancing.
- Authorize the City Manager, or his designees, to designate certain "assigned" fund balances for MVMCC, as described below, in accordance with the requirements of GASB Statement No. 54.

Assistant City Manager Capriola gave the staff presentation. She introduced Brian Cochran, Veronica Nebb, Steve Melikian, and Sarah Hollenbeck, the team who worked together to bring this matter forward.

## PUBLIC COMMENT

4. Ray Schneider
5. Larry Cohen
6. Mike Read
7. John Shelfer
8. Jim Olson

*Councilmember Kellner moved, Seconded by Mayor Pro Tem Lucan, to approve Resolution No. 106-12, Authorizing the Borrowing of Funds to Refinance Outstanding Bonds Relating to the Marin Valley Mobile County Club Park, and Approving Related Documents and Action. **The motion was approved unanimously.***

*Councilmember MacLeamy moved, Seconded by Councilmember Athas, to approve authorizing the City Manager to execute a Loan Agreement, Negative Pledge Agreement and Irrevocable Refunding Instructions, to make minor modifications to the documents as needed in order to complete the refinancing initiative, and to approve payments of the estimated expenses as outlined in the staff report for this item. **The motion was approved unanimously.***

*Councilmember MacLeamy moved, Seconded by Councilmember Kellner, to approve outstanding budget issues including: 1) Transfer of \$50,000 from the Replacement Reserve to the FY 12/13 Operating Budget for capital projects that were approved previously but not completed and 2) Reimburse the City for unpaid "Owner's Expenses" in the amount of \$82,557 from funds available as part of the refinancing. **The motion was approved unanimously.***

*Councilmember MacLeamy moved, Seconded by Councilmember Athas, to approve authorizing the City Manager, or his designees, to designate certain "assigned" fund balances for MVMCC, as described in the staff report for this item, in accordance with the requirements of GASB Statement No. 54. **The motion was approved unanimously.***

*Councilmember Lucan moved, Seconded by Councilmember MacLeamy, to approve amending the dollar figure for the reimbursement of the City for unpaid "Owner's Expenses" from \$51,813 to \$82, 557. **The motion was approved unanimously.***

## J. COMMISSIONS, COMMITTEES AND BOARDS (CCB's) APPOINTMENTS

No appointments were made by Council to fill vacancy/vacancies on their Commissions, Committees or Boards.

## K. COUNCILMEMBER/CITY MANAGER REPORTS

Mayor Pro Tem Lucan reported from the recent TAM meeting that allocation of OBAG funds had been discussed, and stated that Novato would receive \$100,000 toward planning for the Transit Hub, as well as additional funding for community-based transportation planning and an allocation of \$780,000 for the De Long Avenue and Ignacio Blvd. highway interchange

resurfacings. He also stated that having a certified Housing Element is a requirement of receiving the \$780,000.

Councilmember MacLeamy reported on her attendance of a MERA orientation meeting and Governing Board, stating that they would discuss the rebuilding and financing of an updated system to meet Federal regulations.

#### L. WORK STUDY SESSION

##### FISCAL SUSTAINABILITY WORK SESSION #4 - REVENUES

Receive presentations regarding City revenues as a continuation of the City's fiscal sustainability process and provide feedback to staff.

PUBLIC COMMENT - None

At 7:38 p.m., the Council took a brief recess and reconvened at 7:45 p.m.

Finance Manager Brian Cochran gave the staff presentation, which was followed by Council questions.

Council provided direction to staff, indicating general agreement with the four areas of focus to include investigating changes within the business license ordinance, conducting research on options for refuse franchise fees/vehicle impact fees, changes to investment parameters for Hamilton Trust and looking at voter approved options such as sales tax, utility users tax, transient occupancy tax, etc. Also suggested were investigating an infrastructure bond, looking at economic development tools being used around the state, looking for innovative ways to raise funds and researching parks and recreation bonds and assessment districts.

#### M. ADJOURNMENT

The meeting was adjourned at 9:51 p.m. in memory of Reverend Dina Gardener, Alec Jacob Torchon, Mary Ellen O'Connor and Robert Lazzarini. Council then convened in closed session immediately following Adjournment of the work session. See Minutes after Adjournment.

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TO DISSOLVED REDEVELOPMENT AGENCY  
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901 SHERMAN AVENUE  
DECEMBER 11, 2012

A. CALL TO ORDER

1. Public Comment - None
2. Recess into Closed Session

B. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8:

Property: 315 Bolling Circle, Novato, California

Agency  
Negotiator: Michael Frank, City Manager  
Cathy Capriola, Assistant City Manager  
Veronica Nebb, Assistant City Attorney

Negotiating Party: Harry Thorgersen

Under Negotiation: Price and Terms of Sale or Transfer

2. Closed Session Item #2 was withdrawn and not discussed.

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

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Sheri Hartz, City Clerk