

MINUTES
SPECIAL JOINT CITY COUNCIL/IMPROVEMENT AGENCY MEETING
MONDAY, SEPTEMBER 12, 2005

CALL TO ORDER Mayor/Chair Shoals called the meeting to order at 6:30 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

MOMENT OF SILENCE

FLAG SALUTE: Mayor Shoals led all those present in the flag salute.

ROLL CALL

Council/Agency: Council/Board Members Ashton, Ekbohm, Lieberman, Mayor Pro Tem/Vice Chair Versaw, and Mayor/Chair Shoals were present.

City/Agency Staff: City Manager/Executive Director Anderson, City Attorney/General Counsel Koczanowicz, City Clerk/Agency Secretary McMahon, Administrative Services Director/Agency Finance Officer Chapman, Interim Community Development Director/Deputy Director Hansen, Police Chief Copsey, Fire Chief Fibich, and Human Resources Coordinator Barrett were also present.

Also present were Interim City Manager/Executive Director Warne; Craig Hill of Northcross, Hill & Ach; and Eric Scriven of Piper Jaffray & Company.

PUBLIC COMMUNICATIONS The Mayor/Chair opened the floor to any member of the public for comment on items of interest which were within the jurisdiction of the City Council/Improvement Agency but were not listed on the agenda.

- A. Don Fielding, Grover Beach, urged the City Council/Agency to postpone making any final decisions on bond financing until after the new Interim City Manager had a sufficient opportunity to review the information.

There were no further public comments received at this time.

CITY COUNCIL/IMPROVEMENT AGENCY - PRESENTATION

CC/IA-1. Proclamation of Appreciation to Ronald C. Anderson, Jr., for Serving as the Grover Beach City Manager and Executive Director.

Mayor Shoals read and presented a three-page Proclamation of Appreciation to City Manager/Executive Director Anderson.

City Manager/Executive Director Anderson thanked the Council/Agency for the opportunity to serve the Grover Beach community, thanked members of staff, and expressed appreciation for the many friendships developed with members of the community. He stated his new 9/80 work schedule with Suisun City would allow him and his wife Lorrie to return to their home on the Central Coast frequently.

Individual members of the City Council/Agency thanked City Manager/Executive Director Anderson for his dedication to the community, and they commended him for the aggressive Citywide work program and significant number of accomplishments during his four-year tenure.

CONSENT AGENDA - CITY COUNCIL

Prior to consideration of the Consent Agenda, Item No. CC-2 was pulled pursuant to the request of Council Member Ekbohm.

Upon consensus of the Council, Consent Agenda Item Nos. CC-1 and CC-3 were approved as recommended.

CC-1. Contract for Interim City Manager Services - Entering into an agreement with Richard N. Warne to serve as the Interim City Manager.

Action: Approved the terms of the agreement and authorized the Mayor to execute it on behalf of the City.

CC-3. Letter of Support Regarding Arroyo Grande Creek - Letter to the California Coastal Commission regarding immediate maintenance work needed within the Arroyo Grande Creek levees before the onset of winter rains.

Action: Authorized the Mayor to sign the letter on behalf of the City.

Interim City Manager Warne at this time was officially introduced to members of the audience. He thanked the City Council for the opportunity to serve the Grover Beach community.

Mayor Shoals called for discussion on Consent Agenda Item No. CC-2.

CC-2. Amendment to the City's Personnel Regulations - Amending the amount of annual holiday leave for all full-time management employees to add an additional 4-hour holiday period.

Council Member Ekbohm objected to the additional 4 hours of holiday pay, stating he would vote "no" on this item just as he had on similar agreements with other employee bargaining groups.

Administrative Services Director Chapman gave a brief overview of the report and stated this amendment was consistent with recent agreements with members of the Police Officers' Association and the Service Employees International Union, Local 620.

It was m/s by Mayor Pro Tem Versaw/Council Member Lieberman to adopt Resolution No. 05-80, as recommended. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Lieberman, Mayor Pro Tem Versaw, and Mayor Shoals.
NOES: Council Member Ekbohm.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Action: Adopted Resolution No. 05-80, amending the City's Personnel Regulations.

Resolution No. 05-80: A Resolution of the City Council of the City of Grover Beach Amending Section X(A)(6) of the Personnel Regulations.

BUSINESS - CITY COUNCIL/IMPROVEMENT AGENCY

CC/IA-2. Workshop on Refinancing Agency Debt.

Mayor/Chair Shoals read the title to the foregoing item and deferred to financial consultants Eric Scriven of Piper Jaffray & Company and Craig Hill of Northcross, Hill & Ach, Inc., for a joint presentation.

Referencing a PowerPoint presentation, Mr. Scriven gave an overview of "redevelopment" in California as the primary financial tool for local urban improvement and "tax increment" as the funding method for redevelopment. Mr. Hill gave an overview of the concept of incurring debt, tax allocation bonds, and the advantages of borrowing for redevelopment. He then outlined the pros and cons of five available financing options.

Brief discussion was held with Mr. Scriven, Mr. Hill, and City Manager/Executive Director Anderson responding to questions from the Council/Agency. City Manager/Executive Director Anderson identified the following potential projects that could be accomplished with the additional funding source: West Grand Avenue Storm Drain Project, assemblage of vacant land, parking, Beach Lodge and Conference Center, Meadow Creek Bridge, Multi-modal Transportation Facility, and storm drainage beneath the railroad tracks.

Action: Upon consensus of the Council/Agency, Mr. Scriven and Mr. Hill were requested to bring back refinancing documents based on:

Financing Option No. 2:

- bond against known available tax increment of \$366,268;
- no set-aside of tax increment for annual administration - administration costs to be paid from future growth in assessed value;
- pass-through amounts required to be subordinated to bond debt service;
- new bonds to generate \$3,500,000 for future projects; and
- no housing component included.

With additional information as outlined in:

Financing Option No. 3:

- bond against known available tax increment of \$366,268 PLUS anticipated immediate growth;
- no set-aside of tax increment for annual administration - administration costs to be paid from future growth in assessed value;
- pass-through amounts required to be subordinated to bond debt service;
- new bonds to generate \$3,500,000 for future projects;
- escrow piece to add \$1,650,000 for projects; and
- no housing component included.

ADJOURNMENT

There being no further business to come before the Improvement Agency, Chair Shoals adjourned the meeting at 7:59 p.m.

CITY COUNCIL:

/s/ JOHN P. SHOALS, MAYOR

Attest: /s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg November 7, 2005)

IMPROVEMENT AGENCY:

/s/ JOHN P. SHOALS, CHAIR

Attest: /s/ DONNA L. McMAHON, AGENCY SECRETARY
(Approved at IA Mtg November 7, 2005)