



Pedro "Pete" M. Sanchez, Mayor
Mike Hudson, Mayor Pro-Tem
Jane Day
Sam Derting
Michael A. Segala

First and Third Tuesday
Every Month

A G E N D A

REGULAR MEETING OF THE SUISUN CITY COUNCIL, REDEVELOPMENT AGENCY AND HOUSING AUTHORITY

TUESDAY, JANUARY 3, 2012

7:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

(Next Ord. No. – 721)

(Next City Council Res. No. 2012 – 01)

(Next Redevelopment Agency Res. No. RA2012 – 01)

(Next Housing Authority Res. No. HA2012 – 01)

ROLL CALL

Council / Board Members
Pledge of Allegiance
Invocation

PRESENTATIONS/APPOINTMENTS

(Presentations, Awards, Proclamations, Appointments).

PUBLIC COMMENT

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONFLICT OF INTEREST NOTIFICATION

(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)

CONSENT CALENDAR

Consent calendar items requiring little or no discussion may be acted upon with one motion.

City Council

1. Council Adoption of Resolution No. 2012-__: Authorizing the Re-Designation of the Solano Transportation Authority as the Abandoned Vehicle Abatement Program Service Authority for Solano County – (Dadisho)
2. Council Adoption of Resolution No. 2012-__: Accepting the Hall Park Tot Lot as Completed and Authorizing the City Manager to Record the Notice of Completion for the Construction Contract on the City’s Behalf with Miracle Playsystems, Inc. for the Hall Park Tot Lot Project – (Kasperson).

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320

FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340

REDEVELOPMENT AGENCY 421-7309 FAX 421-7366

3. Council Adoption of Resolution No. 2012-__: Accepting the Repairs to the Ponds on the Lawler Falls Park Project as Completed and Authorizing the City Manager to Execute and Record the Notice of Completion for the Construction Contract on the City's Behalf – (Kasperson).

Joint City Council / Redevelopment Agency

4. Assembly Bill 936 Forgiveness of Redevelopment Agency Loans – (Garben).
 - a. Consider Council Adoption of Resolution No. 2012-__: Regarding Forgiveness of Loans to the Suisun City Redevelopment Agency.
 - b. Consider Agency Adoption of Resolution No. RA 2012-__: Regarding Forgiveness of Loans to Public Bodies.
5. Council/Agency Approval of the November 2011 Payroll Warrants inclusive in the amount of \$733,429.80. Council Approval of the November 2011 Payable Warrants inclusive in the amount of \$1,210,285.71 and Agency Approval of the November 2011 Payable Warrants inclusive in the amount of \$32,622.20 – (Finance).

Joint City Council / Redevelopment Agency / Housing Authority

6. Council/Agency/Commission Approval of the Minutes of the Regular and Special Meetings of the Suisun City Council, Redevelopment Agency Board and Housing Authority Board held on December 6, 2011 – (Hobson).

GENERAL BUSINESS

City Council

7. Discussion and Direction: Presentation from Brandis Tallman, LLC Regarding a Proposal to Refund the City's CalPERS Side Fund and Direction to Staff – (Joseph).

PUBLIC HEARINGS:

REPORTS: (Informational items only.)

8. City Manager/Executive Director/Staff
 - a. Report on Supreme Court Decision on AB 26 and AB 27.
9. Mayor/Council -Chair/Boardmembers

ADJOURNMENT

A complete packet of information containing Staff Reports and exhibits related to each item for the open session of this meeting are available for public review at least 72 hours prior to a Council /Agency/Authority Meeting Agenda related writings or documents provided to a majority of the Council/Board/Commissioners less than 72 hours prior to a Council/Agency/Authority meeting regarding any item on this agenda will be made available for public inspection during normal business hours. An agenda packet is available for review in the City Manager's Office during normal business hours. The City may charge photocopying charges for requested copies of such documents.

PLEASE NOTE:

1. The City Council hopes to conclude its public business by 11:00 P.M. Ordinarily, no new items will be taken up after the 11:00 P.M. cutoff and any items remaining will be agendized for the next meeting. The agendas have been prepared with the hope that all items scheduled will be discussed within the time allowed.
2. Suisun City is committed to providing full access to these proceedings; individuals with special needs may call 421-7300.
3. City Council agendas are posted at least 72 hours in advance of regular meetings at:

City Hall
701 Civic Center Boulevard

Fire Station
621 Pintail Drive

Senior Center
318 Merganser Drive

AGENDA TRANSMITTAL

MEETING DATE: January 3, 2012

CITY AGENDA ITEM: Council Adoption of Resolution No. 2012-___: Authorizing the Re-Designation of the Solano Transportation Authority as the Abandoned Vehicle Abatement Program Service Authority for Solano County.

FISCAL IMPACT: Over the past ten years, the program has generated more than \$439,000 in revenues to the City.

BACKGROUND: The City of Suisun City has been participating in the State of California Abandoned Vehicle Abatement (AVA) Program since 1991. Pursuant to California Vehicle Code Section 9250.7, the State of California imposes a one dollar (\$1.00) annual service fee on motor vehicles registered to owners residing in Solano County. The program has provided a revenue income of more than \$439,000 over the past ten years. The existing authority to collect the one dollar fee is set to expire in April 2012.

STAFF REPORT: California Vehicle Code Section 9250.7 has been amended to allow for a ten-year extension of the STA service fee upon approval by two-thirds of the members of the County Board of Supervisors and a majority of the cities having a majority of the incorporated population within the county, adopt the resolution providing for the extension of the fee. This resolution would allow STA to act as the service authority in Solano County for the AVA Program for the next ten-year program.

The AVA Program provides reimbursement for the staff costs associated with abating vehicles throughout the City on public and private property. For the fiscal year 2010-11, there were 147 reported abatements. Of this number, 54 vehicles were towed and 93 were voluntarily abated by the vehicle owners. There were 564 abatement notices issued with the majority being removed through voluntarily compliance. In the fiscal year 2010-2011, Suisun City received \$51,039.55 from the AVA Program. This equates to approximately \$347 per vehicle. The average reimbursement for the three prior fiscal years was approximately \$57,499 per year.

The AVA Program reimbursement is based upon a \$1 vehicle registration fee collected by DMV. Each quarter, the State Controller sends a check to the STA for the vehicle registration funds received in Solano County. Funds are disbursed based upon the latest population estimates, the amount of quarterly requested funds from each agency and the number of vehicles abated.

All Cities in the County and the County itself participate in the AVA Program. If the AVA Program Member Agencies do not extend the sunset date of the program, it will end April 30, 2012. If that were to occur, Suisun City would no longer receive its share of the \$1 vehicle registration fee.

PREPARED BY:
REVIEWED/APPROVED BY:

Ed Dadisho, Police Chief
Suzanne Bragdon, City Manager

The Benicia City Council has already adopted a resolution re-designating STA as the Abandoned Vehicle Abatement Program Service Authority. According to the STA, the other Program Member Agencies are expected to adopt their own resolutions extending participating.

RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2012-____: Authorizing the Re-Designation of the Solano Transportation Authority as the Abandoned Vehicle Abatement Program Service Authority for Solano County.

ATTACHMENTS:

1. Resolution No. 2012-____: Authorizing the Re-Designation of the Solano Transportation Authority as the Abandoned Vehicle Abatement Program Service Authority for Solano County.
2. Letter from Solano Transportation Authority explaining the expiration of the City of Suisun City Abandoned Vehicle Abatement Fee Program sunset date.



Solano Transportation Authority

...working for you!

Ed

SOLANO TRANSPORTATION AUTHORITY

Member Agencies:

Benicia ♦ Dixon ♦ Fairfield ♦ Rio Vista ♦ Suisun City ♦ Vacaville ♦ Vallejo ♦ Solano County

One Harbor Center, Suite 130, Suisun City, CA 94585-2473 ♦ Telephone (707) 424-6075 / Facsimile (707) 424-6074
Email: staplan@sta-snci.com ♦ Website: sta.ca.gov

October 4, 2011

Police Department
701 Civic Center Drive
Suisun, CA 94585
Attn. John Pitts

RECEIVED

OCT 11 2011

CITY OF SUISUN CITY

Re: Abandoned Vehicle Abatement (AVA) Fee Program
Sunset Date Notification

Dear Mr. Pitts,

The City of Suisun AVA Fee Program sunsets, by State statute, on April 30, 2012. The California Vehicle Code (VC) Section 9250.7(g) allows each AVA Program Member Agencies to extend their sunset date for the program in 10-year increments. In August 2011, STA notified the Technical Advisory Committee (TAC) of the AVA Program sunset date. Subsequently, in September 2011, the STA Board was notified of the sunset date and issued a resolution to the Department of Motor Vehicle (DMV) for continuation of the AVA Program for another ten (10) years.

In accordance with the VC Section 22710, please submit new a resolution to designate the STA the AVA Authority for Solano County and to extend the City of Suisun AVA Program for another ten years. To prevent the lapse of AVA Program funding, the STA requests that your city submit a new resolution requesting extension for an additional 10-year increment, which would sunset in April 2022, no later than February 1, 2012.

If you have any questions, please contact Susan Furtado, Accounting & Administrative Services Manager, or myself at (707) 424-6075.

Sincerely,

Daryl K. Halls
Executive Director

Attachment: Copy of draft resolution.

Cc: Suzanne Bragdon, Suisun City Manager
Dan Kasperson, Suisun City Public Works Director
Susan Furtado, Accounting & Administrative Services Manager

AGENDA TRANSMITTAL

MEETING DATE: January 3, 2012

CITY AGENDA ITEM: Council Adoption of Resolution No. 2012-___: Accepting the Hall Park Tot Lot as Completed and Authorizing the City Manager to Record the Notice of Completion for the Construction Contract on the City's Behalf with Miracle Playsystems, Inc. for the Hall Park Tot Lot Project.

FISCAL IMPACT: The final contract amount is the same as the original contract amount of \$122,911.74. There is no additional fiscal impact.

BACKGROUND: On August 23, 2011, the City awarded the tot lot playground structure contract to Miracle Playsystems for the Hall Park Tot Lot project. This project furnished the playground structure and installed the structure, rubber surfacing, associated storm drainage system, mow strip, benches and steel powder-coated fencing and gate to match the playground structure. The location of this tot lot was coordinated with the library staff and the Fairfield-Suisun School District.

The final contract amount includes no changes to the original contract amount. The budget for the tot lot and other park improvements was funded through a contribution from The Salvation Army (TSA) per the purchase agreement and with Park Development funds.

STAFF REPORT: The project has been completed to the City's satisfaction and within the project schedule. Additional work must be completed before the area can be opened to the public. This work will include a concrete sidewalk and landscape improvements. This work was not included in the contract with Miracle Palysystems, and it will be accomplished by others.

RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2011-___: Accepting the Hall Park Tot Lot as Completed and Authorizing the City Manager to Record the Notice of Completion for the Construction Contract on the City's Behalf with Miracle Playsystems, Inc. for the Hall Park Tot Project.

ATTACHMENTS:

1. Resolution No. 2012-___: Accepting the Hall Park Tot Lot as Completed and Authorizing the City Manager to Record the Notice of Completion for the Construction Contract on the City's Behalf with Miracle Playsystems, Inc. for the Hall Park Tot Lot Project.

PREPARED BY:

Nick Lozano, Associate Engineer

REVIEWED/APPROVED BY:

Daniel Kasperson, Building & Public Works Director

Suzanne Bragdon, City Manager

RESOLUTION NO. 2012 - ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
ACCEPTING THE HALL PARK TOT LOT AS COMPLETED AND AUTHORIZING
THE CITY MANAGER TO RECORD THE NOTICE OF COMPLETION FOR THE
CONSTRUCTION CONTRACT ON THE CITY'S BEHALF WITH MIRACLE
PLAYSYSTEMS, INC. FOR THE HALL PARK TOT LOT PROJECT**

WHEREAS, on August 23, 2011, the Suisun City Council awarded a contract to Miracle Playsystems, Inc. for the Landscaping along Bikeway on Main Street project; and

WHEREAS, the contract include furnishing the playground structure and installing the playground structure, rubber surfacing, associated storm drainage system, mow strip, benches and steel powder coated fencing and gate to match the playground structure; and

WHEREAS, Miracle Playsystems, Inc. has completed all of the work under their contract for the Tot Lot at Hall Park Project.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Suisun City does hereby authorize the City Manager to take all necessary and appropriate actions to execute the final contract payment with Miracle Playsystems, Inc., sign the Notice of Completion on behalf of the City and cause the Notice of Completion to be recorded with the Solano County Recorder's Office.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of Suisun City duly held on Tuesday, the 3rd of January 2012, by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of the City of Suisun City this 3rd of January 2012.

Linda Hobson, CMC
City Clerk

AGENDA TRANSMITTAL

MEETING DATE: January 3, 2012

CITY AGENDA ITEM: Council Adoption of Resolution No. 2012-___: Accepting the Repairs to the Ponds on the Lawler Falls Park Project as Completed and Authorizing the City Manager to Execute and Record the Notice of Completion for the Construction Contract on the City's Behalf.

FISCAL IMPACT: This project was funded entirely by the Lawler Ranch Maintenance Assessment District FY 2011-12 Capital Project Budget. The original contract amount for this project was \$178,300. There was a net cost of \$1,291 in change orders, which was less than the \$17,830 set aside for contingencies. The final contract amount was \$179,591. The total project budget including contingency and staff time is \$205,045. This project has come in under budget.

STAFF REPORT: In July 2011, the City awarded the pond repair construction contract to Pacific Aquascape for the Lawler Falls Park Pond project. This project consisted of repairs to ensure the integrity of the ponds in order to restore the park to its original working order. The project has been completed to the City staff's satisfaction. The pond liner has a warrantee of 20 years, and all other work is warranted for one year from the date of the City's acceptance of the project.

RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2012-___: Accepting the Repairs to the Ponds on the Lawler Falls Park Project as Completed and Authorizing the City Manager to Execute and Record the Notice of Completion for the Construction Contract on the City's Behalf.

ATTACHMENTS:

1. Resolution No. 2012-___: Accepting the Repairs to the Ponds on the Lawler Falls Park Project as Completed and Authorizing the City Manager to Execute and Record the Notice of Completion for the Construction Contract on the City's Behalf.

PREPARED BY:

Amanda L. Dum, Management Analyst I

REVIEWED/APPROVED BY:

Daniel Kasperson, Building & Public Works Director

Suzanne Bragdon, City Manager

RESOLUTION NO. 2012- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
ACCEPTING THE REPAIRS TO THE PONDS ON THE LAWLER FALLS PARK
POND PROJECT AS COMPLETED AND AUTHORIZING THE CITY MANAGER
TO EXECUTE AND RECORD THE NOTICE OF COMPLETION FOR THE
CONSTRUCTION CONTRACT ON THE CITY'S BEHALF**

WHEREAS, on July 5, 2011, the Suisun City Council awarded Pacific Aquascape the contract for the Lawler Falls Park Pond Project; and

WHEREAS, the contract included removal of the first foot of the pond floor, installation of a geomembrane liner, and replacement of the top foot of the pond floor; and

WHEREAS, Pacific Aquascape has completed all of the work under the contract for the Lawler Falls Park Pond Project.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Suisun City does hereby authorize the City Manager to take all necessary and appropriate actions to execute and record the Notice of Completion on behalf of the City.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of Suisun City duly held on Tuesday, the 3rd of January 2012, by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of the City of Suisun City this 3rd of January, 2012.

Linda Hobson, CMC
City Clerk

AGENDA TRANSMITTAL

MEETING DATE: January 3, 2012

JOINT AGENDA ITEM: Assembly Bill 936 Forgiveness of Redevelopment Agency Loans:

- a. Consider City Council Adoption of Resolution No. 2012-__: Regarding Forgiveness of Loans to the Suisun City Redevelopment Agency; and
 - b. Consider Redevelopment Agency Board Adoption of Resolution No. RA 2012-__: Regarding Forgiveness of Loans to Public Bodies.
-

FISCAL IMPACT: There would be no fiscal impact at this time.

BACKGROUND: On September 6, 2011, the Governor signed AB 936, a measure requiring public disclosure of any Redevelopment Agency loans to public entities that the Agency forgave between January 1, 2010, and December 31, 2011. AB 936 went into effect on January 1, 2012, and requires Agencies to adopt resolutions providing the required disclosure by February 1, 2012.

STAFF REPORT: Between January 1, 2010, and December 31, 2011, the Suisun City Redevelopment Agency did not forgive any loans to a public agency. In March 2011, some Agency loans were assigned to the City, but the loans remain in full force.

Though neither the City, nor the Agency forgave subject loans, AB 936 requires adoption of a resolution disclosing that information. To comply with the law, the City Attorney's Office prepared the attached resolutions providing the required declarations.

RECOMMENDATION: It is recommended that the City Council and the Redevelopment Agency Board approve:

1. Resolution No. 2012-__: Regarding Forgiveness of Loans to the Suisun City Redevelopment Agency; and
 2. Resolution No. RA 2012-__: Regarding Forgiveness of Loans to Public Bodies.
-

ATTACHMENTS:

1. Resolution No. 2012-__: Regarding Forgiveness of Loans to the Suisun City Redevelopment Agency.
 2. Resolution No. RA 2012-__: Regarding Forgiveness of Loans to Public Bodies.
-

PREPARED BY:

Jason Garben, Economic Development Director

REVIEWED/APPROVED BY:

Suzanne Bragdon, City Manager

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 2012-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
REGARDING FORGIVENESS OF LOANS TO THE SUISUN CITY
REDEVELOPMENT AGENCY**

WHEREAS, Health & Safety Code Section 33354.8 requires the adoption on or before February 1, 2012, of a resolution stating whether or not the repayment, wholly or partially, of a loan, advance, or indebtedness owed by a public body to a redevelopment agency or by a redevelopment agency to a public body, has been forgiven during the period of time commencing January 1, 2010, through December 31, 2011.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUISUN CITY DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

SECTION 1. During the period of time from January 1, 2010, through December 31, 2011, the City did not forgive, wholly or partially, any loans to the Agency.

SECTION 2. The City Clerk shall transmit a copy of this resolution to the Office of the State Controller.

SECTION 3. The City Clerk shall certify as to the adoption of the Resolution and shall cause the same to be processed in the manner required by law.

PASSED AND ADOPTED by a Regular Meeting of said City Council of the City of Suisun City duly held on Tuesday, the 3rd of January 2012, by the following vote:

AYES: Councilmembers: _____
NOES: Councilmembers: _____
ABSENT: Councilmembers: _____
ABSTAIN: Councilmembers: _____

WITNESS my hand and the seal of said City this 3rd day of January 2012.

Linda Hobson, CMC
City Clerk

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. RA 2012 - __

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY REGARDING FORGIVENESS OF LOANS TO PUBLIC BODIES

WHEREAS, Health & Safety Code Section 33354.8 requires the adoption on or before February 1, 2012, of a resolution stating whether or not the repayment, wholly or partially, of a loan, advance, or indebtedness owed by a public body to a redevelopment agency or by a redevelopment agency to a public body, has been forgiven during the period of time commencing January 1, 2010, through December 31, 2011; and

WHEREAS, during the period of time commencing January 1, 2010 through December 31, 2011, there were no loans from the Agency to any public body outstanding.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

SECTION 1. During the period of time from January 1, 2010, through December 31, 2011, the Agency did not forgive, wholly or partially, any loans to any public body.

SECTION 2. The Agency Secretary shall transmit a copy of this resolution to the City Council of the City of Suisun City and to the Office of the State Controller.

SECTION 3. The Agency Secretary shall certify as to the adoption of the Resolution and shall cause the same to be processed in the manner required by law.

PASSED AND ADOPTED at a regular meeting of the Redevelopment Agency of the City of Suisun City held on Tuesday, the 3rd day of January 2012, by the following vote:

AYES:	Boardmembers:	_____
NOES:	Boardmembers:	_____
ABSENT:	Boardmembers:	_____
ABSTAIN:	Boardmembers:	_____

WITNESS my hand and the seal of said Agency this 3rd day of January, 2012.

Linda Hobson, CMC
Agency Secretary

MINUTES

REGULAR MEETING OF THE SUISUN CITY COUNCIL, REDEVELOPMENT AGENCY AND HOUSING AUTHORITY

TUESDAY, DECEMBER 6, 2011

7:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

ROLL CALL

Mayor / Chairman Sanchez called the meeting to order at 7:00 PM with Council / Board Members Day, Derting, Hudson, and Segala present.

Pledge of Allegiance was led by Council Member Segala

Invocation was given by City Manager Bragdon

PRESENTATIONS/APPOINTMENTS - None

(Presentations, Awards, Proclamations, Appointments).

PUBLIC COMMENT

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

Richard Giddens expressed concern about solicitors coming to his house and current burglaries in our community.

George Guynn expressed concern about City budget and suggested Council members should

Chuck Kingeter expressed concern about staff posting the correct items on the City website and citizens being able to comment at public meetings.

Agnes Kulhanek requested a polling place for the next election to be in the senior center.

CONFLICT OF INTEREST NOTIFICATION

(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)

CONSENT CALENDAR

Consent calendar items requiring little or no discussion may be acted upon with one motion.

City Council

1. Council Adoption of Resolution No. 2011-95: Authorizing the Recruitment of an Administrative Assistant I at the City's Corporation Yard – (Kasperson).
2. Council Adoption of Resolution No. 2011-96: Authorizing the City Manager to Execute Additional Construction Contract Change Orders not to Exceed \$14,000 for the Chyrl Way Rehabilitation Project – (Kasperson).

Joint City Council / Redevelopment Agency / Housing Authority

3. Council/Agency/Commission Approval of the Minutes of the Regular and Special Meetings of the Suisun City Council, Redevelopment Agency Board and Housing Authority Board held on November 1, 2011 and November 15, 2011 – (Hobson).

Council Member Segala requested Item 1 be removed from the Consent Calendar.

Mayor Sanchez pulled Item 1 and 2 from the Consent Calendar.

Motioned by Council / Board Member Day and seconded by Council / Board Member Segala to adopt Consent Calendar Item 3.

Motioned by Council / Board Member Day and seconded by Council / Board Member Derting to adopt Consent Calendar Item 1. Motion carried by the following vote:

AYES: Day, Derting, Segala

NOES: Hudson, Sanchez

Motioned by Council / Board Member Derting and seconded by Council / Board Member Day to adopt Consent Calendar Item 2. Motion carried unanimously.

GENERAL BUSINESS

Joint City Council /Redevelopment Agency

4. Fiscal Year 2010-11 Yearend Budget Analysis and Rebudgeting of Unexpended Prior-Year Projects and Programs – (Anderson).
 - a. Council Adoption of Resolution No. 2011-97: Adopting the 21st Amendment to the Annual Appropriations Resolution No. 20010-53 to Appropriate Funds for Unanticipated FY 2010-11 Expenditures.
 - b. Agency Adoption of Resolution No. RA 2011-27: Adopting the 9th Amendment to the Annual Appropriations Resolution No. RA 2010-16 to Appropriate Funds for Unanticipated FY 2010-11 Expenditures.
 - c. Council Adoption of Resolution No. 2011-98 Adopting the 4th Amendment to the Annual Appropriation Resolution No. 2011-62 to Rebudget City Projects and Programs from FY 2010-11.

Chuck Kingeter expressed concern for personnel over time expenses in the City budget.

Motioned by Council / Board Member Day and seconded by Council / Board Member Hudson to adopt Council Resolutions No. 2011-97, No. 2011-98, and Agency Resolution No. 2011-27. Motion carried unanimously.

5. Council Reauthorization and Continuation of the Suisun City Historic Waterfront Business Improvement District – (Garben).
 - a. Council Adoption of Resolution No. 2011-99: Reauthorizing and Continuing the Suisun City Historic Waterfront Business Improvement District and the Assessment Levy for the District.
 - b. Council Adoption of Resolution No. 2011-100: Accepting the 2011 Annual Report, and Approving the Proposed Calendar Year 2012 Operating Budget for the Suisun City Historic Waterfront Business Improvement District.

George Guynn expressed concern about the Redevelopment Agency subsidizing the BID when the BID only serves Old Town Suisun and suggested the government should not be involved in business.

Chuck Kingeter expressed concern about tracking the expenditures and the revenue from the events

Shelley Kontongis stated the businesses wanted to pay a fee to keep the downtown area and said the BID benefits all the businesses through joint advertising and thanked the Council for supporting the BID

Mark Patel stated working with the BID and City has been very beneficial and appreciated all the support.

Motioned by Council Member Day and seconded by Council Member Hudson to adopt Council Resolutions No. 2011-99 and No. 2011-100. Motion carried unanimously.

Mayor Sanchez appointed Council Member Day and Council Member Derting to the Event ad hoc committee.

PUBLIC HEARINGS: None

REPORTS: (Informational items only.)

6. City Manager/Executive Director/Staff
7. Mayor/Council -Chair/Boardmembers

Council / Board Member Hudson thanked the BID and everyone who participated in the Christmas event.

Council / Board Member Day complimented everyone for the Christmas event.

CLOSED SESSION

City Council

Pursuant to California Government Code section 54950 the Suisun City Council will hold a Closed Session for the purpose of:

8. CONFERENCE WITH LABOR NEGOTIATOR

Agency negotiator: Suzanne Bragdon, City Manager, Ron Anderson, Assistant City Manager, and Tim Mattos, Police Commander.

Employee organization: Suisun City Police Officers' Association (SCPOA).

9. CONFERENCE WITH LABOR NEGOTIATOR

Agency negotiator: Suzanne Bragdon, City Manager, Ron Anderson, Assistant City Manager, and Dan Kasperson, Building & Public Works Director.

Employee Organization: Suisun City Employees' Association (SCEA).

10. CONFERENCE WITH LABOR NEGOTIATOR

Agency negotiator: Suzanne Bragdon, City Manager, Ron Anderson, Assistant City Manager, and Jason Garben, Economic Development Director.

Employee organization: Suisun City Management and Professional Employees' Association (SCMPEA).

8:24 PM – Mayor Sanchez recessed the City Council for ten minutes before going into Closed Session and stated no decisions would be made in Closed Session.

CONVENE OPEN SESSION

Announcement of Actions Taken, if any, in Closed Session.

8:55 PM – Mayor Sanchez reconvened the City Council and stated no decisions had been made in Closed Session.

ADJOURNMENT

There being no further business, Mayor Sanchez adjourned the City Council meeting at 8:55 PM.

Linda Hobson, CMC
City Clerk

AGENDA TRANSMITTAL

MEETING DATE: January 3, 2012

CITY AGENDA ITEM: Discussion and Direction: Presentation from Brandis Tallman LLC Regarding a Proposal to Refund the City's CalPERS Side Fund and Direction to Staff.

FISCAL IMPACT: By financing the unfunded liability for the City's pension benefits, the City could save up to \$50,000 per year in Employee Services costs.

BACKGROUND: The City has a basic pension plan through CalPERS. As with many other jurisdictions, the City has what is known as an unfunded liability, or a "Side Fund" of approximately \$3.4 million. At present, CalPERS is financing that cost over a 14-year period at the same interest rate as it would expect to make if it invested that money elsewhere, or 7.75%. Given the current market, the City can refinance that debt at a much lower rate – approximately 5%. The reduced Employee Services costs would result in savings, primarily in the General Fund. The financing would be for a 14-year period, with a fixed rate for the first 10 years. Different terms could be arranged, but the 14-year option provides the greatest *cash-flow* advantage for the City.

STAFF REPORT: Last summer staff was approached by Brandis Tallman, LLC. It has become one of the few firms that handle this type of financing. In calendar year 2011, it handled six refunding issues of this type, ranging in value from \$3.2 million to \$11.3 million. After reviewing the numbers and terms, staff believes this is a low-risk opportunity to save up to \$50,000 per year in pension costs. Staff contacted our local banker at WestAmerica, to see whether it was interested in making a proposal. WestAmerica declined. Staff is not aware of any other financing companies that are active in this type of refunding. Representatives from Brandis Tallman LLC will be present to give a short PowerPoint presentation and to answer any questions.

After receiving the presentation Council could direct staff to solicit proposals from local financing companies that may be interested in, and capable of, providing this service; OR Council could direct staff to work with Brandis Tallman, LLC on a specific proposal for Council consideration.

RECOMMENDATION: It is recommended that the City Council receive the presentation, and provide direction to staff regarding how to proceed.

ATTACHMENTS:

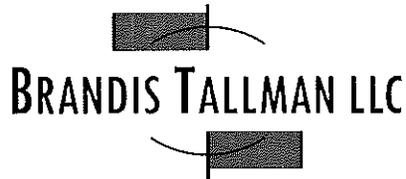
1. General information on the Refunding concept, from Brandis Tallman, LLC.
2. PowerPoint Presentation on the Refunding concept, from Brandis Tallman, LLC.

PREPARED BY:

Mark Joseph, Financial Services Manager

REVIEWED/APPROVED BY:

Suzanne Bragdon, City Manager



22 Battery Street
Suite 500
San Francisco, CA 94111

Phone: 415-912-5630
Fax: 415-912-5636
www.brandistallman.com

CALPERS SIDE FUND

Currently, agencies that are in the CalPERS Side Fund are paying into the pool at a rate of 7.75%. Although the target investment level may be reduced to 7.50% or even 7.25%, this still creates a substantial payroll expense for participating agencies. We are working with a number of institutional investors to refund Side Fund obligations. Investors are providing taxable fixed interest rates for terms up to 15 years. The 10 year rates are currently about 5.00%. This interest rate differential is producing net present value savings of approximately 7%.

Our program offers agencies within the Side Fund the opportunity to reduce expenses in their general fund. We have been working with cities, counties, fire protection districts, and special districts throughout the State to provide this opportunity of reduced interest costs.

We analyze the benefit of refunding Side Fund obligations using both the private placement and public offering methods of sale. In today's market, more obligations have benefited from the private placement method of sale. A private placement is a direct loan from an institutional investor such as a bank. The loan is structured with one fixed interest rate over the duration of the obligation. Costs are reduced with this direct placement method of sale.

While the public bond market offers the ability to refund Side Fund obligations as well, its recent volatility has proven to be less stable and less cost effective than the private placement market. The interest rates offered by private placement investors have not been affected as significantly by headline risk and mutual fund outflows that have caused yields in the public bond market to rise over the past two months.

In order to analyze a Side Fund obligation and quantify the benefit for a specific obligation, we require an updated amortization schedule. Amortization schedules can be obtained by a request to your CalPERS actuary. Please call one of us to discuss the possibilities for your Side Fund obligation.

Rick Brandis
415-912-5633

Nicki Tallman
415-912-5632

Jeff Land
415-912-5635

Public Offering Method of Sale

Under a public offering, an underwriter purchases bonds from an issuer with the intent to resell the bonds to investors. The sale of bonds can be made to large investors such as mutual funds and insurance companies, commonly known as institutional investors, or to individual investors, commonly known as retail investors.

Suitability rules play a role in determining what securities an underwriter can recommend to an investor. Historically the SEC has deferred to self-regulatory organizations to regulate this conduct. Under suitability rules used by FINRA, the NYSE and the MSRB, the securities dealer must have some basis for believing that any particular security they recommend is suitable for the investor on the basis of facts disclosed by the investor.

As a result, the financing team must design the financing structure to meet the needs of the issuer in context of the investor market for the debt. This includes research and documentation of the credit quality of the bond (credit rating), its term to maturity, its risk of redemption and its potential for sale in the secondary market. Other requirements, such as establishment of a reserve fund or surety bond must be considered.

These requirements and due diligence procedures increase the costs of issuance of the bonds. Additionally, a trustee or paying agent is required to service the debt to the investors of a public offering. However, the institutional or retail investor often provides the issuer with a lower interest rate. The bonds can be serialized so that the interest rate increases each year rather than remaining fixed for the term of the bonds. This can provide an overall lower interest cost.

Private Placement

A private placement is a sale of a new issue of securities directly to an investor or small group of investors without a public offering. Privately placed securities do not require SEC registration.

In 1982, the SEC adopted Regulation D, which set forth the guidelines that determine whether an issue is qualified for exemption from registration. The guidelines require that, in general, the securities cannot be offered through any form of general advertising or general solicitation that would prevail for public offerings. Most importantly, the guidelines restrict the sale of securities to “sophisticated” investors. Such “accredited” investors are defined as those who (1) have the capability to evaluate (or who can afford to employ an advisor to evaluate) the risk and return characteristics of the securities, and (2) have the resources to bear the economic risks.

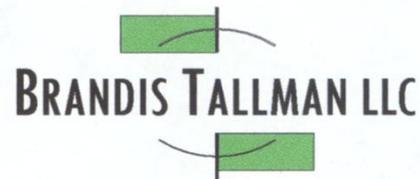
For a municipality, it is the placement of a loan directly to a qualified investor, typically a financial institution such as a bank or a high net worth individual. The loan is structured with one fixed interest rate over the duration of the obligation, with prepayment penalties to be negotiated. An interest rate lock can be obtained from the investor while documents are in progress. Typically, maturities on a private placement do not extend past 15 years, however a 20 year term can be obtained depending on the credit.

Private placement transactions tend to move quickly and closing can be expected within a few weeks after an investor has been identified. Costs involved in this transaction are minimal compared to a public offering since a fiscal/paying agent is not needed, legal counsel only submits a tax opinion, and disclosure and registration requirements are not required.

Refinancing CalPERS Side Fund Obligations Mitigating Financial Risks



Presentation Prepared for
the City of Suisun City
by



22 Battery Street, Suite 500
San Francisco, CA 94111
415-912-5630

*Investment Banking for
California's Communities*

Available Options

- **Continue Side Fund Participation**

Suisun City is currently paying into the Side Fund at an interest rate of 7.75%.

- **Pay Off Side Fund Obligation with Cash**

Suisun City could use cash reserves to pay off their Side Fund Obligations.

- **Pay Off Side Fund Obligation with a New Loan (Refunding)**

Suisun City could refinance their Side Fund Obligations by accessing the capital marketplace.

Access to Capital Markets

- **Local Banks**

- **Municipal Bond Market**
 - **Public Offering Method of Sale**
 - Sold to public at large
 - Credit rating required for optimal interest rate
 - Official statement required
 - Trustee required
 - Continuing disclosure required

 - **Private Placement Method of Sale**
 - Direct loan from institutional investor such as a bank
 - Bare bones version of public offering
 - No credit rating required
 - No official statement required
 - No continuing disclosure required
 - Trustee may be required

SUMMARY PRIVATE PLACEMENT REFUNDING

REFUNDING LOAN	
Loan Payoff Amount as of 6/30/2011	\$3,445,204
Cost of Issuance	\$105,796
Par Amount	\$3,551,000
Arbitrage Yield	4.50% [1]
All-In True Interest Cost	5.04%
TOTAL DEBT SERVICE	
Refunding Loan	\$4,647,560
Existing	\$5,233,484
Savings	\$585,924 [2] 11.20%
Net Present Value Savings	\$409,224 11.52%

Continued

SUMMARY

PRIVATE PLACEMENT CONTINUED

AVERAGE ANNUAL DEBT SERVICE	
2011/12 thru 2021/22 – Refunding	\$410,806
2011/12 thru 2021/22 – Existing	\$462,442
2011/12 thru 2021/22 - Savings	\$51,636 [2]
2022/23 thru 2024/25 - Refunding	\$42,899
2022/23 thru 2024/25 - Existing	\$48,874
2022/23 thru 2024/25 - Savings	\$5,975 [2]

[1] Rate is fixed for 10 years. After that, the City can payoff the loan, refinance the loan with another lender, or refinance the loan with the existing lender. The existing lender would offer to refinance the loan based on a similar term Treasury plus a spread. This rate would be calculated as of the date reset in 10 years. As of today, the reset rate for one year would be about .09% and the reset rate for four years would be about 3.37%. Therefore, we used a rate of 4.5% for the full term of the Side Fund obligation for this analysis.

[2] Based on a 4.5% rate for the entire term of the loan, the savings are \$51,636 per year for the first 11 years and \$5,975 per year for the last three years, or \$585,924 in total. However, the rate is only locked for the first 10 years, so the savings are only locked in for that time. The savings for the first 10 years are \$516,364 in total. The savings for the remaining 4 years will vary depending on the rate and reset/refinancing structure after year 10. Based on today's rate of 4.5%, the savings for the last 4 years are estimated at \$69,560 in total. Approx. \$586,000 of principal remains after year 10.

Financing Structure

- General obligation of the agency from any legally available funds
- Liability that goes on balance sheet
- Collateral required on case-by-case basis depending on credit quality of the issuer
- Trust Indenture, resolution to approve financing and all related documents, CalPERS payoff letter

Court Validation

- Debt Limit Entities (cities, counties, school districts) are required to get a court validation.
- Court is not validating legal principles but is validating the transaction itself and all related documents.
- Before validation action is filed, it is necessary for the issuer to adopt a resolution authorizing the transaction and approving all related documents, including the validation action.
- Validation action is filed in the superior court of the county in which the issuer is located. The validation process takes 90 days.
- Non-Debt Limit Entities (authorities, agencies, and special districts other than school districts) do not require validation action.

Private Placement Refunding Timeline with Validation

<u>Timing</u>	
Week One	Kick-off conference call with financing team to discuss elements of the Side Fund refunding
Week Three	1 st draft of documents due
Week Four	Comments on documents due
Week Five	Documents due for Agenda deadline
Week Six	Governing Body adopts resolution and authorizes bonds, validation action filed with superior court
Week Twelve	Validation judgment, 30-day appeal period begins
Week Sixteen	Appeal period ends, validation complete, close transaction