



## MINUTES

### Finance, Administration and Police Subcommittee

Meeting Date: Thursday, February 27, 2020, 4:00 p.m.

Meeting Location: City Hall

124 N. Cloverdale Boulevard, Cloverdale, CA

#### Subcommittee Members

Councilmember Melanie Bagby, Chair  
Mayor Gus Wolter, Vice Chair

City Manager David Kelley  
Police Chief Jason Ferguson  
Finance Director Susie Holmes

1. **Call to Order:** Chair Bagby called the meeting to order at 4:01 p.m. Present: Councilmember Bagby, Mayor Wolter, City Manager Kelley Police Chief Ferguson and Finance Director Holmes.
2. **Communications:** Shirley Davis regarding Citrus Fair Greywater Disposal Fees for Santa Rosa Rescue Mission. Mayor Wolter thanked Ms. Davis for the communication, and a recommendation was made to draft a letter to the Citrus Fair requesting that the Mission be able to dispose of the wastewater at the fair disposal site.
3. **Minutes Approved:** January 27, 2020 Special Meeting Minutes
4. **Public Comments:** None
5. **Current Items for Discussion:**
  - a) Presentation on Refunding Successor Agency 2015 Tax Allocation Refunding Bonds - W. J. Fawell Co. City Manager Kelley introduced the team, which includes W.J. Fawell, James A Wawryzniak and David Fama (Jones Hall), Jerry Liang (Alamo Capital), and David Schey (HdL Coren and Cone. from Jones Hall, Alamo Capital and HdL Corey & Cone. The proposal is to refinance \$26,809,000 in Successor Agency 2015 bonds, which will result in a great savings over the course of the next 20 years. Current municipal bond rates are the lowest in 30 years. Mr. Kelley indicated that this action could also benefit the Fire District and the School District. Discussion ensued, and the various entities summarized projects they had worked on in the past.
  - b) Debit Management The compliance issues were summarized by Jerry Liang, Alamo Capital which included discussion of legal documents and procedures that need are required for the tax allocation bonds and bond reserves, which will involve a sale and escrow account, and approval by Council. Discussion ensued about the financing plan, which will convert prior unspent tax exempt proceeds to new project funds for Series A and B bonds, and refund of Series 2015 A bonds, which result in and the estimated Net Debt Service and savings. The public offering will include the municipal finance advisor, bond counsel, disclosure counsel, the fiscal consultant and underwriter. Approval will be needed from the Sonoma County Oversight Board and the Department of Finance. Credit checks are involved, and a final official statement (including the offering document and prospectus) will be prepared. Then there will be a negotiated public sale, and final execution of the bond purchase agreement. The table showing the net savings over long term was discussed, as well as projected increases in residual property tax revenues and the cost of issuance. The following timeline was recommended:

March 11, 2020: Successor Agency meeting to adopt resolution approving the financing documents

May 22, 2020: Sonoma County Oversight Board meeting to approve and direct the Successor Agency to proceed with the refunding; Submit Oversight Board Resolution and documents to the Department of Finance and commence the 65- day review period;

July 22, 2020: Successor Agency meeting to adopt the resolution approving the preliminary official statement (Prospectus) and bond purchase agreement for the Series 2020 bonds;

July 26, 2020: End of the DOF review period;

August 13, 2020: Pricing of the refunding bonds and signing of bond purchase contract;

August 27, 2020: Closing of the Series 2020 bonds.

Recommendation: Since the matter is time-sensitive, thus Chair Bagby asked staff to request a special meeting if needed to ensure that this item gets on the Successor Agency calendar on March 11 requesting the Successor Agency adoption of the resolution approving the financing documents.

- c) Presentation on Establishment of Community Facility Districts (CFDs)– Jones-Hall (David Fama and James Wawrzyniak) David and James with Jones Hall provided background on establishment of CFDs. The district, if approved, will require 2/3 voter approval, and will allow for levying of special taxes that will be paid as part of the tax roll that can be used for services and facilities. Discussion ensued about the various ways in which the CFDs can be used and the financial impact to properties that are included. Mayor Wolter added that this could be a good way to pay the cost of road and sidewalk repairs. City Manager Kelley commented that the City needs to find new revenue sources.  
Recommendation: David and James will do a presentation for City Council on March 11.
- d) Consider request to cover cost of Citrus Fair Greywater Disposal Fees for Santa Rosa Rescue Mission. This was discussed under Item 2 above.
- e) Sonoma Clean Power Microgrid Funding and Options for Cloverdale – Sonoma Clean Power (Geof Syphers, Chief Executive Officer) Geof Syphers, Sonoma Clean Power, spoke on this item, which is related to PSPS events. SCP wants to begin collecting information about the microgrids from cities and bring the information collectively to the CPUC. PG&E is looking for a 24-megawatt backup generator in Cloverdale, and it is critical that it can be expanded for future use. SCP suggests other alternatives such as switches and solar arrays would help protect portions of the city or services from power shutoffs. Mr. Sypher indicated that approval is needed from the CPUC and from Sonoma Clean Power. He asked the City to write a letter of support, to supply the critical data and which facilities have the highest value, and a list of all parcels and owners in the city. The information needs to be in by the end of March. Mr. Syphers offered to work with the City to draft a letter to the CPUC.  
Recommendation: Place request for authorization of a letter of support on March 25 City Council agenda.
- f) Discuss goal setting process and workshop on March 18<sup>th</sup> for the FY 2020-22 Budget City Manager Kelley indicated that the Council had concurred to move to a two-year budget. A goal setting workshop that identifies the work plan and creates a checklist by department has been scheduled for March 18 from 8:00 to 2:00, and Councilmember Cruz could arrange with the City Clerk to participate remotely by teleconference. The goals would be in-line with the budget.
- g) Assembly Bill 5 – Worker Status: Employees and Independent Contractors. Mayor Wolter commented that this will be looked at again by the State due to unintended consequences. There is a list of exceptions and they are relooking at this assembly bill and anticipate changes.
- h) Funding options for extending Police Department generator to power City Hall. The subcommittee discussed extending the generator power from the PD to City Hall during power outages. The quote to do so is around \$23,000 and a budget amendment would be needed to complete the work. This should ensure that City Hall has backup power and can continue to provide critical services during PSPS events.
- i) Discuss possible change in subcommittee meeting dates and times. Chair Bagby had a conflicting with

board meetings and asked to change the subcommittee meetings to the first Thursday of the month beginning April 2. The regularly scheduled March meeting was cancelled.

**6. Standing Items / Items Continued:**

Item 6(d) - Update on Analysis of water leak data for the City of Cloverdale Finance Director Holmes reviewed the data that had been collected. Ms. Holmes recommends installing the electronic devices ERTS in certain neighborhoods in phases. City Manager Kelley requested clarification of the policy added it might be a better strategy to target neighborhoods rather than individual homes. There are opportunities to update the policy. Discussion ensued about the impact on revenue and taxes.

Item 6(e) Update on Police Department redesign project Chief Ferguson has been in discussion with RDC regarding changes to the design and will bring back information to Council as it comes to his attention.

Item 6(k) Update on Measure P and Cannabis Permits – David Kelley commented that the City collected \$208,331 from Measure P funds through December. Discussion ensued. Finance Director Holmes is actively working with those who are delinquent in their taxes to get up to date. Chair Bagby suggested a future agenda item to temporarily roll back the excise tax to help the cannabis industry, that is getting heavily taxed by the state. Discussion ensued.

The following items were not discussed due to the late hour and will be continued to the next agenda:

- a) Update on Homelessness Strategic Planning Process – Kevin Thompson
- b) Update on Sonoma County Homeless Emergency Response – David Kelley
- c) Water Disconnection Policy SB 998 (Water Shutoff Protection Act)
- f) Update on Pension Liability legislation, financing tool and other
- g) Update on development of draft Ordinance to address downtown vacancies
- h) Evaluate Options for expanding the tax base, including ballot initiatives
- i) Update on presentation regarding City’s Financial Forecast and extension of Utility User Tax
- j) Business License and Transit Occupancy Tax (TOT) Services Proposal- will be brought to City Council

**7. Information Only Memos:** None

**8. Future Agenda Items (subject to change):**

Discuss options for funding street improvements and paving  
Discuss temporary rollback of city excise tax from local cannabis business owners

**9. Pending Items:** None

**10. Good of the Order:** Mayor Wolter stated he received a complaint about high weeds at the airport up against the hanger. He received another complaint about blocked driveways during the Citrus Fair and illegal parking in electric vehicle parking spots. Installation of signage was suggested. A reserve patrolman may be brought in at future events to monitor parking and traffic safety. Lastly, a request was made for the police to report streetlights that are burned out.

**11. Adjournment:** The meeting adjourned at 7:15 p.m. to the next meeting on Tuesday, April 7, 2020, at 4:00 pm. or alternate date as requested at Cloverdale City Hall, 124 N. Cloverdale Blvd., Cloverdale CA 95425