



AGENDA
REGULAR MEETING OF THE
DIXON CITY COUNCIL
DIXON PUBLIC FINANCING AUTHORITY
DIXON PUBLIC IMPROVEMENT CORPORATION

NOVEMBER 22, 2011

1. **CALL TO ORDER**

The Regular Meeting of the Dixon City Council was called to order at 7:00 p.m. in the Council Chambers by Mayor Jack Batchelor, Jr.

2. **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Jack Batchelor, Jr.

3. **ROLL CALL**

Present: Councilmembers Thom Bogue, Rick Fuller, Mayor Jack Batchelor, Jr.

Absent: Councilmember Dane Besneatte *
Vice Mayor Michael Ceremello **

* Councilmember Besneatte arrived at 7:04 p.m.

** Vice Mayor Ceremello arrived at 7:06 p.m.

4. **PRESENTATIONS/ PROCLAMATIONS/ RECOGNITION**

5. **AUDIENCE/PUBLIC COMMENT (NON-AGENDA ITEMS)**

5.1 Mr. Erwin discussed the proposed relocation of the Golden Gate Fields Racetrack, the amount of revenue and jobs generated by such a business, local services that would be used, asked at what point the City would be able to entertain Magna Entertainment's interest in the Dixon site, and noted he would like to see a racetrack reconsidered.

Mayor Batchelor responded that the ball is in Magna's court and there are infrastructure issues to be resolved.

5.2 Byron Chapman reminded everyone that Thanksgiving is a heavily traveled time of the year and they should give themselves plenty of time and be patient.

6. **ITEMS FROM THE CITY COUNCIL**

6.1 Councilmember Besneatte reported an attendee at the recent Sunshine Ordinance Workshop approached him during work at the County courthouse to discuss the ordinance, Councilmember Besneatte asked him to instead address the entire Council at a meeting.

Councilmember Besneatte discussed newspaper articles relating to SID's draft letter and noted the Vacaville Reporter should gather facts better before issuing opinions.

He reminded everyone to attend the Downtown Tree Lighting on December 1st.

6.2 Mayor Batchelor discussed his plans to attend the Downtown Tree Lighting, the retirement of Winters Fire Chief Dosier after 35 years of service, his attendance at the Change of Command Ceremony at the Winters Fire Department and the swearing-in of Dixon Fire Chief Aaron McAlister and the two Duty Chiefs for additional duty for Winters.

7. **ITEMS FROM THE CITY TREASURER**

None.

8. **APPROVAL OF AGENDA**

There was no discussion of this item.

A motion was made by Councilmember Fuller, seconded by Councilmember Bogue, to approve the Agenda as submitted. Roll call was taken as follows:

AYES: Besneatte, Bogue, Ceremello, Fuller, Batchelor
NOES: None
ABSTAIN: None
ABSENT: None

9. **CONSENT CALENDAR**

Councilmember Besneatte asked that Item 9.1 be heard separately.

Vice Mayor Ceremello did not pull any items for separate vote, but commented as follows: Regarding Item 9.3, he noted reservations about appointing Ms. Kett due to her limited experience, but did not object because there were no other applicants. Regarding Item 9.4, he saw no reason to cancel the August Council Meeting, but felt it could be addressed at a later date. Regarding 9.6, he noted that the entities had been separated out on the agenda as in the past, but had not been separated out at other times during the year.

A motion was made by Councilmember Fuller, seconded by Councilmember Bogue, to approve the Consent Calendar except item 9.1. Roll call was taken as follows:

AYES: Besneatte, Bogue, Ceremello, Fuller, Batchelor
NOES: None
ABSTAIN: None
ABSENT: None

9.1 Approve the October 25, 2011 Minutes of the Regular City Council Meeting.

See Minutes on Page 3.

9.2 Adopted Resolution No. 11-168 approving the Enumeration of Claims.

9.3 By Minute Action, approved the Mayor's recommendation to appoint Courtney Kett to the Planning Commission with a term expiring June 30, 2013.

9.4 By Minute Action, approved the City Council Meeting Schedule for 2012.

9.5 Adopted Resolution No. 11-169 authorizing the allocation of \$6,279.50 from the California State Supplemental Law Enforcement Grant Fund (SLEF) to the "Capital Outlay" account in the City of Dixon Police Department FY2012 Budget and accepting the bid from Steady Red Installation, Inc. for the installation of new mobile radios into the marked and unmarked fleet of the Dixon Police Department (AG 11-054).

Dixon Public Financing Authority

9.6 By Minute Action, set a Special Meeting of the Dixon Public Financing Authority for December 13, 2011.

Dixon Public Improvement Corporation

9.7 By Minute Action, set a Special Meeting of the Dixon Public Improvement Corporation for December 13, 2011.

9.1 TAKEN OUT OF ORDER

Approve the October 25, 2011 Minutes of the Regular City Council Meeting.

Councilmember Besneatte offered clarification that his comments in the second to the last paragraph on Page 7 of the minutes were actually more detailed and negative than the minutes reflect, and while he did not request the minutes be changed, he wanted to stress his strong feelings prior to approval.

A motion was made Councilmember Fuller, seconded by Councilmember Besneatte, to approve the October 25, 2011 Minutes. Roll call was taken as follows:

AYES: Besneatte, Bogue, Ceremello, Fuller, Batchelor
NOES: None
ABSTAIN: None
ABSENT: None

10. **PUBLIC HEARINGS**

11. **UNFINISHED BUSINESS**

11.1 Receive direction from the City Council to staff and Executive Recruiter Paul Kimura on how the public should be involved in the selection process of the City Manager.

Steve Johnson, Human Resources Director, noted sixty applications were received during the City Manager recruitment and that the recruiter, Paul Kimura, characterized it as an excellent candidate pool. Mr. Johnson discussed previous City Manager recruitment processes, the desire to involve the community in the selection process, requested specific advice and timing preferences from the Council, and responded to Council questions.

Mayor Batchelor noted Human Resources reported an initial review of the applications showed a good mix of private, non-profit, military and city experience among candidates.

Vice Mayor Ceremello discussed the previous recruitments, his desire to hold interviews in open session with questions from the public and expand the final applicant interviews to five candidates rather than three, and asked that all applications received be made available for Council review on-site at City Hall.

Mayor Batchelor proposed the Council receive input from the public on the desired criteria, a citizen's group be assembled to interview the finalists, and Council interviews should be held in closed session following citizen input.

Councilmember Fuller discussed his experience with an open interview process and found it provided the opportunity for candidates to respond to questions as they would in front of the Council and public while performing the job.

Councilmember Besneatte supported open interviews but felt a closed session would be necessary at some point.

Councilmember Bogue preferred the entire process be in the open with no closed session.

Mayor Batchelor asked for public comments.

Byron Chapman noted many qualified people should be available in these economic times and the City should benefit.

Larry Simmons recommended including a question to determine the candidates experience with ADA issues.

Mayor Batchelor confirmed Council direction that each Council member will provide one name for the City Manager Selection Committee and advertising will be done to solicit interested Dixon residents to be included in a lottery drawing at the December 13th meeting to select six additional committee members and two alternates, for a total of thirteen.

11.2 Matters relating to the Water Softener Exchange Program. Provide direction to staff regarding:

- 1. An increase in funding for the Water Softener/Conditioning Appliance Exchange Program;**
- 2. Modification of Section 17.14.7 of Part XIV of Chapter 17 of Article I of the Dixon City Code relating to financial incentive amounts of the Program; and**
- 3. Modification of the Program's certified plumber pay rate.**

Chris Gioia, Associate Civil Engineer, reported the current program includes a \$300.00 cash incentive and \$300.00 sewer bill credit for citizens, and \$300.00 to local plumbers for each water conditioning appliance removed and at a recent meeting Council discussed a reduction of those amounts and an increase in the program budget to maximize the number of units removed. He provided the number of units removed to-date, applications on the waiting list, and the fact that additional funds would open the program to more people. He reported that reductions in incentives could reduce interest in the program and discourage plumber interest, noted the Wastewater Committee leaned toward reducing program incentives but was undecided, and he provided data on the amount of chloride reduction needed.

Mayor Batchelor asked for public comments.

Carl Jacobs, Jake's Plumbing in Dixon, recommended the fees and incentives remain the same, discussed plumbers expenses that included taxes, insurance, phone bills, dump fees, gas fees, trailer rentals, scheduling after 5:00 p.m., unusual problems that require additional work, and noted each removal requires a minimum of one and one-half hours that does not include going to the dump and purchasing the materials they supply.

Councilmember Besneatte supported allocating the additional \$120,000 to the program, but thought reductions in plumber fees and incentives could adversely impact the program and was not that much difference given the benefit derived.

Councilmember Bogue supported maintaining the current payment levels, but asked about the safe level for drawdown of the Rehab Fund and speculated about eliminating the sewer credit and increasing the cash incentive to \$400.00.

Mayor Batchelor supported allocation of an additional \$120,000 and requested an accounting of sewer funds for further review in January or February 2012.

Councilmember Fuller supported the additional fund allocation and was not interested in changing the program formula.

Vice Mayor Ceremello noted there is still a waiting list after the first reduction of incentives, there is no problem with getting people to remove their units, the money is coming out of sewer bills, and maintaining the incentive levels goes against the Wastewater Committee recommendation.

A motion was made by Councilmember Fuller, seconded by Councilmember Bogue, to continue the Water Softener Exchange Program under the existing program conditions and increase the funding by an additional \$130,000. Roll call was taken as follows:

AYES: Besneatte, Bogue, Fuller, Batchelor
NOES: Ceremello
ABSTAIN: None
ABSENT: None

The City Council recessed for break at 8:54 p.m.

The City Council reconvened at 9:04 p.m.

12. NEW BUSINESS

12.1 **Update on bond refinancing options and direction to staff to proceed with the refinancing of the lease revenue bonds and sewer refunding bonds.**

Joan Michaels Aguilar, Interim Finance and Technology Director, reported that the current economic environment presents an opportunity for the City of Dixon to favorably refinance existing debt and the City's financial advisors, Del Rio Advisors, LLC, worked with a placement agent to circulate proposals to banks for interest in refinancing three existing lease revenue bonds into a single issue with a separate package for the 1996 sewer bonds. After reviewing four lender responses, Umpqua Bank was determined to have the most favorable interest rates and flexible terms. She discussed the proposed interest rates and, pending Council direction, an intention to return at the December 13, 2011, meeting for approval to move forward with refinancing. She introduced the representative from Umpqua Bank to provide details of the banks proposal.

George Diesch, Umpqua Bank, discussed the current interest rates ranging from 5.00% to 5.75% for each bond issue and savings to be realized by refinancing at the banks proposed rates ranging from 2.175% to 3.11%. He presented a PowerPoint and discussed the concepts, benefits, favorable interest rates, the \$70,505.84 cost of issuance, the reserve fund, process of securing the private

placement, total cash flow savings of \$197,750, and noted the target date for closing would be December 22, 2011, but that it may extend into January.

Vice Mayor Ceremello asked about the lowest workable maximum interest rate that could be assigned during the approval stages.

Mr. Diesch responded that 3.50% is a possible maximum, but 3.75% allows for more flexibility.

Ms. Michaels Aguilar requested Council direction on the maximum parameters and authorization to proceed with the process and preparation of the final documents for approval.

Mayor Batchelor asked for public comments. There were no public comments.

Vice Mayor Ceremello complimented Mr. Diesch and staff on the proposal, noted he was not comfortable with a 3.75% maximum rate, but expected final approval would include an interest rate closer to 3%.

Mayor Batchelor provided direction to proceed with the refinancing of the lease revenue bonds and preparation of the related documents for final approval.

12.2 Verbal update on the Northeast Quadrant Project.

Joan Michaels Aguilar, Interim Finance and Technology Director, reported a meeting was held November 10, 2011, with several of the Northeast Quadrant property owners, the City Manager, City Directors, Vice Mayor, representatives of SID, special tax consultant, Susan Goodwin, and Chris Lynch from Jones Hall. Reasons for delays were addressed at the meeting and a follow-up meeting was scheduled for December 5, 2011. A quote was expected from First Northern Bank for financing, a report on their committee meeting was expected today, but was not yet received by the start of the meeting. One owner was not represented at the November 10th meeting, an ownership change apparently occurred on the Flying J and Pilot Property, and that property owner's options to participate or not participate were discussed.

Ms. Michaels Aguilar discussed the \$3 million EDA Grant, the need for a joint agreement between the City and the Dixon Solano Water Authority, and steps involved in formation of the Community Facilities District (CFD). She provided Council with a list of necessary tasks and actions, confirmed the status of each, and noted that staff is diligently working to meet all criteria, and approval of the resolution amending local goals and policies for Community Facilities Districts in Item 12.3 is needed for the process.

Ms. Michaels Aguilar hoped to provide an additional update or request for action at the December 13, 2011 Council meeting, but noted it could be delayed until the January 10, 2012 Meeting.

Mayor Batchelor strongly stressed the importance of proceeding without delay to not jeopardize losing a \$3 million grant, noted he was not interested in wavering any longer with decisions relating to Pilot and Flying J, one small property owner should not be allowed to hold up such an important project, and they need to reach agreement within 24 to 48 hours or the CFD should be formed without them. He stressed the need to finish the engineer drawings and obtain the necessary funds to do so.

Ms. Michaels Aguilar noted the property owners are prepared to write a check for engineering costs, and a letter will be drafted to Pilot notifying them of the intention to move forward with the CFD if they do not act.

Councilmember Fuller noted he would give Pilot even less time than the Mayor, they are in Tennessee and could care less, and he does not care if they participate.

Vice Mayor Ceremello noted most property owners did not want to form the CFD if carrying costs were too high and maybe the cost is prohibitive for Pilot's involvement at the current time.

Direction provided to proceed without further delay.

12.3 Adopt Resolution amending local goals and policies for Community Facilities Districts.

Joan Michaels Aguilar noted that much of the discussion relating to the reasons for amending the local goals and policies for Community Facilities Districts had been discussed in Item 12.2. She offered to answer questions and requested approval.

A motion was made by Councilmember Fuller, seconded by Councilmember Bogue, to adopt Resolution No. 11-170 amending local goals and policies for Community Facilities Districts. Roll call was taken as follows:

AYES: Besneatte, Bogue, Ceremello, Fuller, Batchelor
NOES: None
ABSTAIN: None
ABSENT: None

12.4 Selection of Vice Mayor for 2012.

Councilmember Bogue nominated Dane Besneatte for Vice Mayor. There were no other nominations.

Mayor Batchelor asked for public comments. There were no public comments.

A motion was made by Councilmember Bogue, seconded by Councilmember Fuller, to appoint Dane Besneatte as Vice Mayor for 2012. Roll call was taken as follows:

AYES: Besneatte, Bogue, Ceremello, Fuller, Batchelor
NOES: None
ABSTAIN: None
ABSENT: None

12.5 Review and revise the City Council Committee/Commission Assignments for 2012 and adopt a resolution reflecting 2012 assignments which must be memorialized by formal Council action.

Mayor Batchelor led a review of the individual line items included in the 2011 City Council Committee/Commission Assignments List, Council members conferred and agreed on individual assignments for the 2012 year, and directed that the updated list be finalized and distributed.

A motion for adoption of the resolution was delayed until the December 13, 2011 meeting to enable insertion of the committee members into the Resolution.

13. **OTHER AGENCY BUSINESS**

14. **ITEMS FROM THE CITY ATTORNEY**

15. **ITEMS FROM THE CITY MANAGER**

Jon Cox, Acting City Manager, reported that there will be a memorial service for Vallejo Officer Jim Capoot on November 30, 2011, at 11:00 a.m. at Vallejo High School.

Councilmember Besneatte noted his experience in working with Officer Capoot and that he was an excellent officer.

16. **CLOSED SESSION**

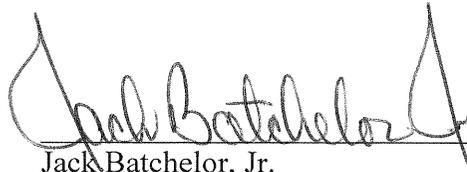
17. **ADJOURNMENT**

Mayor Batchelor reported that he will be attending a meeting of the School District and City Council 2X2 Subcommittee on December 14, 2011.

A motion was made by Councilmember Fuller, seconded by Vice Mayor Ceremello, to adjourn the Regular Meeting of the Dixon City Council at 10:14 p.m.



Suellen Johnston
Acting Deputy City Clerk



Jack Batchelor, Jr.
Mayor