

**MINUTES OF THE CITY COUNCIL AND
PUBLIC FACILITIES CORPORATION
OF THE CITY OF LOS ALAMITOS**

SPECIAL JOINT MEETING – August 10, 2015

1. CALL TO ORDER

The City Council met in Special Joint Session at 5:32 p.m., Monday, August 10, 2015, in the Council Chamber, 3191 Katella Avenue, Mayor/President Murphy presiding.

2. ROLL CALL

Present: Council Members/Directors: Grose, Hasselbrink, Kusumoto,
Mayor Pro Tem/Vice President Edgar, Mayor/President Murphy

Absent: Council Members/Directors: None

Present: Staff: Bret M. Plumlee, City Manager, Executive Director
Lisa Kranitz, Assistant City Attorney
Jason Al-Imam, Admin. Services Director, Treasurer
Dave Hunt, City Engineer
Corey Lakin, Community Services Director
Steven Mendoza, Development Services Director
Windmera Quintanar, CMC, City Clerk, Secretary

3. SPECIAL ORDERS OF THE DAY

A. 2015 Certificates of Participation (Administrative Services)

The item considered approval of resolutions that authorize the execution and delivery of the 2015 Certificates of Participation ("COPs") in order to refinance the outstanding 2006 Certificates of Participation and finance the design, acquisition, and construction of certain public facilities.

Administrative Services Director Al-Imam introduced the item.

City Council/Directors and Staff discussed the legality of the agendas. Council Member/Director Grose and Mayor Pro Tem/Vice President Edgar questioned if there should be two separate agendas for the two different entities. Assistant City Attorney Kranitz and Mrunal Shah, Best Best & Krieger Bond Legal Counsel, agreed the legal requirements had been met. The Council/Directors agreed to continue as is.

Mayor/President Murphy requested an update on the City's credit rating.

City Manager Plumlee advised that the City had received a rating of AA+ from Standard & Poor's on the 2015 Certificates of Participation and also received an issuer credit rating of AAA for the City overall. He explained

that the rating of AA+ for the 2015 Certificates of Participation is the highest rating available for a Certificate of Participation financing and that this rating indicates a “very strong” capacity to meet financial commitments and only differs from the AAA by a small degree. It differs from the AAA ICR rating for market and structural matters related to the lease structure used in the COP.

Motion/Second: Council Member Kusumoto/Mayor Pro Tem Edgar
Motion: Approve the recommendations for City Council.

Council Member/Director Kusumoto asked if the bond could be paid early or if there was a waiting period.

Thomas Johnsen, Fieldman Rolapp, advised the bond holder was protected for 10 years and gave a brief overview of the bond refinancing limitations.

Council Member/Director Kusumoto understood and stated future Councils could decide to refinance in the future, if desired.

Council Member/Director Grose stated concerns regarding the School District’s objections to the traffic issues near the high school. He questioned if the Council was obligated to complete the projects in the order listed.

Administrative Services Director Al-Imam responded in the negative and advised the prioritization of the project list was for the City’s benefit and not included in the bond documents.

Council Member/Director Grose advised he had not received a public comment, positive or negative, and requested any comments received by his colleagues be shared for transparency.

Mayor Pro Tem/Vice President Edgar believed the Council had done its due diligence in considering this refinance and the use of additional funds. He stated concern that the community perception to the broad project descriptions may be negative, especially since there were available funds in reserves. He spoke briefly regarding the Council’s conservative actions to earmark the reserves for future obligations such as employee pensions and unfunded liability. He stated he was supportive of the item due to the level of detailed dialogue that has taken place.

Mayor/President Murphy stated objection to taking the additional money and was concerned with the three projects being expedited. He did not feel the Purple Pipe Project had enough planning to be funded at this time. He pointed out the median project and school traffic issues were approximately \$620,000 and questioned if there was an immediate need for funding, why wasn’t the \$915,000 in reserves considered for these

projects. He stated a preference for not taking the additional funds, but committing to spending the reserves on projects 1 and 3. He was supportive of the beautification of Los Alamitos Blvd., but reiterated that additional funding was not needed.

Council Member/Director Hasselbrink stated the Council had done its due diligence in picking ten solid projects that would make a noticeable difference in the community. She stated a preference for referring to the projects around the High School as traffic issues. She indicated the projects were scheduled to be done, but there was no cash right now. She was comfortable with Council's direction and did not feel it put the City at a disadvantage.

Mayor/President Murphy indicated he was supportive of the projects, but did not agree funds should be committed at this time. He stated it was an issue of timing. He reiterated support for the projects.

Council Member/Director Grose referred to the previous discussion of using bond money along with grants as a force multiplier to get the most use of the funds. He indicated it was unfortunate there were no shovel ready plans, but was supportive of the long term projects. He believed the understanding moving forward would be to use grant funds to help enhance the projects. He referred to the suggestion of using reserves for Projects 1 and 3, and pointed out the reserves were allocated for specific items leaving only \$385,000 unreserved. He questioned how reserves could be used.

Mayor/President Murphy advised there were possibilities, but understood the direction of the Council. Mayor/President Murphy called for the question.

Motion/Second: Council Member Kusumoto/Mayor Pro Tem Edgar
Carried 4/1 (Mayor Murphy cast the dissenting vote): The City Council:

1. Adopted Resolution No. 2015-20, entitled, "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS AUTHORIZING THE ISSUANCE AND SALE OF ITS 2015 CERTIFICATES OF PARTICIPATION, AUTHORIZING EXECUTION AND DELIVERY BY THE CITY OF A LEASE AGREEMENT, A TRUST AGREEMENT, AN ESCROW AGREEMENT, A RELEASE AND TERMINATION AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, APPROVING A NOTICE OF SALE, AND THE PREPARATION AND DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT WITH RESPECT TO THE ISSUANCE AND SALE OF SUCH CERTIFICATES OF PARTICIPATION, APPOINTING A TRUSTEE AND MAKING OTHER FINDINGS RELATING THERETO"; and,

2. Authorized the Mayor, City Manager, and the Administrative Services Director/Treasurer to execute the documents and make certain non-substantive changes as required to close the transaction.

Motion/Second: Vice President Edgar/Director Hasselbrink

Unanimously Carried: The Los Alamitos Public Facilities Corporation:

1. Approved the minutes of the prior meeting that was held on February 6, 2006; and,
2. Approved establishment of regular meetings to be held once a year in January.

Council Member/Director Grose asked who the President, Secretary, and Treasurer were.

City Clerk Quintanar advised the bylaws of the Public Facilities Corporation stated the positions would be held by the current Mayor, City Clerk, and City Treasurer, unless voted otherwise by Council.

Motion/Second: Vice President Edgar/President Murphy

Carried 3/2 (Directors Grose and Kusumoto cast the dissenting votes):
The Los Alamitos Public Facilities Corporation:

3. Adopted Resolution No. 2015-01, entitled, "RESOLUTION OF THE BOARD OF DIRECTORS OF LOS ALAMITOS PUBLIC FACILITIES CORPORATION AUTHORIZING EXECUTION AND DELIVERY BY THE CORPORATION OF A LEASE AGREEMENT, A TRUST AGREEMENT, AN ESCROW AGREEMENT AND TERMINATION AGREEMENT WITH RESPECT TO THE EXECUTION AND DELIVERY OF 2015 CERTIFICATES OF PARTICIPATION IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,075,000 AND AUTHORIZING EXECUTION AND DELIVERY OF SAID CERTIFICATES OF PARTICIPATION."; and,
4. Authorized the President, Secretary, and Treasurer of the Corporation to execute the documents and make certain non-substantive changes as required to close the transaction.

Council Member/Director Kusumoto stated he was supportive of the refinancing of the bond, but would have preferred not to pull out the additional money. He was pleased the item was complete.

4. **ADJOURNMENT**

The City Council and Public Facilities Corporation adjourned at 6:08 p.m.

Assistant City Attorney Kranitz advised Council had not asked for public comment, subsequently she spoke with all audience members present and confirmed no one wished to make public comments on the matter.



Richard D. Murphy, Mayor/President

Attest:



Windmera Quintanar, CMC, City Clerk/Secretary