

CITY OF LOS ALAMITOS

3191 Katella Avenue
Los Alamitos, CA 90720

AGENDA BUDGET STANDING COMMITTEE SPECIAL MEETING MONDAY, June 1, 2015 – 6:30 p.m.

NOTICE TO THE PUBLIC

This Agenda contains a brief general description of each item to be considered. Except as provided by law, action or discussion shall not be taken on any item not appearing on the agenda. Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at www.cityoflosalamitos.org once the agenda has been publicly posted.

Any written materials relating to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 3191 Katella Ave., Los Alamitos CA 90720, during normal business hours. In addition, such writings or documents will be made available for public review at the respective public meeting.

It is the intention of the City of Los Alamitos to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee, or a participant at this meeting, you will need special assistance beyond what is normally provided, please contact the City Clerk's Office at (562) 431-3538, extension 220, 48 hours prior to the meeting so that reasonable arrangements may be made. Assisted listening devices may be obtained from the City Clerk at the meeting for individuals with hearing impairments.

Persons wishing to address the Committee on any item on the agenda will be called upon at the time the agenda item is called or during the Committee's consideration of the item and may address the Committee for up to three minutes.

1. CALL TO ORDER

2. ROLL CALL

Mayor Pro Tem Edgar
Mayor Murphy

3. CLOSED SESSION

A. Conference with Labor Negotiators

City Negotiator: Cary Reisman, City Attorney
Subject: City Manager Bret M. Plumlee
Authority Government Code Section 54957.6 (a)

B. Conference with Real Property Negotiators

Property: 10650 Los Alamitos Blvd, Los Alamitos, CA 90720
Agency Negotiator: Bret M. Plumlee, City Manager
Cary Reisman, City Attorney
Jason Al-Imam, Administrative Services Director

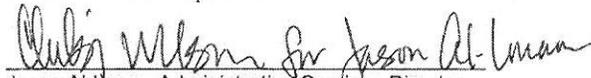
Negotiating Parties: Net Development, Kevin Coleman
Under Negotiation: Price and terms of payment re trust deed

4. DISCUSSION ITEMS

- A. Refinancing of 2006 Certificates of Participation**
- B. Police Succession Planning**

5. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at the following locations: Los Alamitos City Hall, 3191 Katella Ave.; Los Alamitos Community Center, 10911 Oak Street; and, Los Alamitos Museum, 11062 Los Alamitos Blvd.; not less than 24 hours prior to the meeting.



Jason Al-Imam, Administrative Services Director

Date May 29, 2015

City of Los Alamitos

Budget Standing Committee

Agenda Report
Discussion Items

June 1, 2015
Item No: 4A

To: Budget Standing Committee Members
Via: Bret M. Plumlee, City Manager
From: Jason Al-Imam, Administrative Services Director
Subject: Refinancing of 2006 Certificates of Participation

Summary: Discuss the bond financing timeline and staff's recommendation to select Best, Best & Krieger to serve as Bond Counsel and Disclosure Counsel.

Recommendation: Discuss the bond financing timeline and staff's recommendation to select Best, Best & Krieger to serve as Bond Counsel and Disclosure Counsel.

Background

The City currently has \$2,895,000 in outstanding principal on its 2006 Certificates of Participation, which have an all-in true interest cost of approximately 4.8%. If the City refinanced its outstanding debt, it could provide debt service savings due to historically low interest rates.

Discussion

Fieldman, Rolapp & Associates was selected as the City's Financial Advisor to assist with the refinancing of the 2006 Certificates of Participation. Fieldman, Rolapp has put together a bond financing calendar that outlines the various steps in the bond financing process. The City's next principal and interest payment is due on September 1, 2015. In order to realize a full year of debt service savings next fiscal year, the 2006 Certificates of Participation would need to be refinanced by mid-August. Therefore, special legal counsel in the form of Bond Counsel and Disclosure Counsel is required at this time.

Bond counsel renders an opinion on the validity of the bond offering, the security for the offering, and whether and to what extent interest on the bonds is exempt from income and other taxation. The opinion of bond counsel provides assurance both to issuers and to investors who purchase the bonds that all legal and tax requirements relevant to the matters covered by the opinion are met.

Disclosure counsel is responsible for preparing the drafts of a Preliminary Official Statement relating to the sale of the bonds and advising the City as to the scope of disclosure, the sources of all information, and its compliance with applicable securities laws; facilitating the printing of the Preliminary and Final Official Statements; any additional support or documentation related to the role of Disclosure Counsel and required for closing and ongoing advice on continuing disclosure requirements, and prepare certificates and agreements to comply with applicable securities laws.

On May 7, 2015 Requests for Qualifications (RFQ) were sent to five (5) firms. Five (5) firms submitted proposals, which were due on or before March 18, 2015. A summary of the proposals is attached (**Attachment 1**), which outlines the firms experience, the project team and fees.

Criteria Used to Rate Proposals

An RFP is evaluated differently than an Invitation to Bid. Public agencies that issue an Invitation to Bid have defined a specific scope of work for which they are requesting bid prices, making the decision based on price alone. In other words, the bidder with the lowest price, who has submitted a responsive bid (on time, signed, bid on all items, bid guaranty included if required, etc.) are customarily awarded the contract. With an RFP, price is part of the evaluation criteria that will determine which firm is awarded the contract, but the evaluation criteria also includes experience, qualifications, and approach to the work. The firm submitting the lowest price may not have the highest number of overall points and may not be the one awarded the contract. Conversely, in an RFP a firm submitting a high price may end up being awarded the contract based on receiving more points for the evaluation criteria for experience, qualifications, and approach.

Section 2.60.140 of the City's Municipal Code states that contracts for professional services "shall be awarded to the contractor who will best serve the interests of the city, taking into account the demonstrated competence, qualifications, and suitability for the project in general. The City may consider the cost of personal, professional, or consulting services if...the city council...determines it to be a relevant factor under the circumstances."

Furthermore, the Government Finance Officers Association (GFOA) has published recommended practices for selecting bond counsel which indicates that the selection should not be driven solely by proposed fees. The experience of the firm with the type of transaction and the ability to deliver the required legal services in a timely manner are the most important factors in the selection of bond counsel.

Proposals were scored and evaluated based on qualifications and experience. The table on the following page outlines the weighted average score for the five firms, with a score of 5 representing the highest possible score.

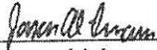
	Weighted Average Score (Out of 5)
Best, Best & Krieger	5.0
Nixon Peabody LLP	3.4
Nossaman LLP	3.8
Quint & Thimmig	4.0
Stradling Yocca Carlson & Rauth	4.2

Based on the results of the aforementioned selection process, staff recommends that Best, Best & Krieger (BB&K) be selected to serve as Bond Counsel and Disclosure Counsel based on the firms extensive experience in municipal debt financing. It should also be noted that BB&K had the lowest fees. In addition, BB&K also served as Bond Counsel and Disclosure Counsel on the City's 2006 debt issuance and therefore the firm has a proven track record with the City.

Fiscal Impact

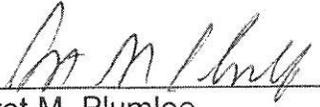
All costs of issuance will be paid from proceeds from the refunding of the 2006 Certificates of Participation. No costs will be borne by the General Fund. Compensation to BB&K and other members of the financing team is contingent upon successful closing of the refunding issue.

Submitted By:
By:



Jason Al-Imam
Administrative Services Director

Approved



Bret M. Plumlee
City Manager

Attachment: 1. Summary of Bond Counsel and Disclosure Counsel Proposals

CITY OF LOS ALAMITOS
Refunding of 2006 Certificates of Participation
Bond Counsel / Disclosure Counsel Proposal Summary

Bond Counsel / Disclosure Counsel	Firms Experience	Recent California City or Similar Experience	Project Team	Fees
Best, Best & Krieger	<p>Municipalities local government entities, and special districts throughout California depend on BBA&K's public finance department to bond, counsel for the full range of available public financing options. BBA&K helps agencies throughout the State of California from a highly competitive environment to lower rates, ease capital through lease and enterprise revenue financing, to expand their enterprise systems, and improve the quality of life for their constituents.</p>	<ol style="list-style-type: none"> 1. Financing Public Financing Authority 2011 Lease Revenue Bonds, Pacific View Property and Moonlight Beach Lifeguard Tower 2. Folsom Unified School District Certificates of Participation (Property Acquisition) 3. County of Folsom's Asset Leasing Corporation Lease Revenue Bonds, Series 2013A Public Defense Probation Building and Riverside County Technology Solutions Center Projects 	<p>Kim A. Byrnes - Lead Attorney John R. Rotchehaefer - Tax Counsel Mrunal M. Shah - Backup Attorney</p>	<p>Bond Counsel (BC) Services - \$25,000 (Public Sale) Bond Counsel (BC) Services - \$30,000 (Private Placement) Disclosure Services (DC) - \$20,000 For BC/DC - \$40,000 Expenses capped at \$2,000.</p>
Nixon Peabody LLP	<p>System Peabody is a nationally recognized bond counsel firm with decades of experience in all areas of public finance.</p> <p>2014 - 10th most active bond counsel in nation on negotiated sale.</p> <p>2014 - 10th most active disclosure counsel for long-term and short-term issuances.</p>	<ol style="list-style-type: none"> 1. Alameda Unified School District Certificates of Participation (Refunding and 2015 Combined Project), 2015 Series A 2. Palmdale School District Certificates of Participation (2014 Refunding and Equipment Project) 3. Bay Area Air Quality Management District Certificates of Participation (BAAQMD Office Project) 	<p>Daniel Deaton - Lead Attorney Chuck Wolf - Backup Attorney Travis Gibbs - Tax Counsel Richard Jones - Backup Attorney Rudy Salo - Backup Attorney Jade Turner-Bond - Secretary (Finance)</p>	<p>Bond Counsel (BC) Services - \$15,000 (Public Sale) Bond Counsel (BC) Services - \$45,000 (Private Placement) Disclosure Services (DC) - \$55,000 For BC/DC - \$90,000 Expenses capped at 5% of Fee.</p>
Nossaman LLP	<p>Nossaman Public Finance practice began in 1967. The attorneys who comprise the Public Finance Department make the firm's commitment to public finance differ from that of other law firms. Each Nossaman public finance attorney who will be involved in providing legal services to the City is a partner. The City will be receiving the attention and work product of an experienced public finance attorney.</p>	<ol style="list-style-type: none"> 1. Hayward Area Recreation and Park District Certificates of Participation Series 2014 2. Roseville-Rio Bravo Water Storage District Revenue Certificates of Participation, Series 2013A 3. City of Kern State Enterprise Revenue Certificates of Participation (State Project) Series 2011 	<p>Albert R. Reyes - Lead Attorney Barney Allison - Backup Attorney Sami Norber - Tax Counsel</p>	<p>Bond Counsel (BC) Services - \$50,000 (Public Sale) Bond Counsel (BC) Services - \$40,000 (Private Placement) Disclosure Services (DC) - \$35,000 For BC/DC - \$75,000 No reference to expenses.</p>
Quint & Thinning	<p>Quint & Thinning was established in 1997. Firm only practices bond counsel, underwriting counsel and disclosure counsel services. Office in Los Angeles, California Firm attorney with one associate attorney Supported by 4 support staff 100+ years bond counsel disclosure team of over 430 attorneys counsel on over 1,600 long term financings and over 430 short term financings Ranked as 31st or 5th most active bond counsel firm</p>	<ol style="list-style-type: none"> 1. City of Alhambra 2015 Private Placement Lease Financing 2. County of Arroyo 2015 Private Placement Lease Financing 3. City of Concord 2015 Private Placement Lease Financing 	<p>Brian Quint - Lead Attorney Paul Thinning - Backup Attorney</p>	<p>Bond Counsel (BC) Services - \$25,000 (Public Sale) Bond Counsel (BC) Services - \$25,000 (Private Placement) Disclosure Services (DC) - \$20,000 For BC/DC - \$45,000 No reference to expenses</p>
Stradling Yocca Carlson & Rauth	<p>For more than 15 years, SYCR has consistently ranked among the top bond and disclosure counsel firms in California. 31 members of devoted to public finance and general public finance shareholders, 7 associates, and 4 paralegals.</p>	<ol style="list-style-type: none"> 1. City of Vallejo Refunding Certificates of Participation, 2015A 2. 2015B and 2015B (Two-Component) 3. Bonding Public Financing Authority Lease Revenue Refunding Bonds (Public Facilities Project) Series 2014 4. Fortuna Public Facilities Financing Refunding Lease Revenue Refunding Bonds, Series 2014A 	<p>Curtis Torabi - Lead Attorney Brian Forbath - Backup Attorney Carol Lee - Tax Counsel</p>	<p>Bond Counsel (BC) Services - \$35,000 (Public Sale) Bond Counsel (BC) Services - \$35,000 (Private Placement) If a CPA is need to be formed, an additional \$5,000 would be charged Disclosure Services (DC) - \$25,000 For BC/DC - \$50,000 Expenses included in Fees</p>

City of Los Alamitos

Budget Standing Committee

Agenda Report
Discussion Items

June 1, 2015
Item No: 4B

To: Budget Standing Committee Members

From: Bret M. Plumlee, City Manager

Subject: Police Succession Planning

Summary: With the impending retirement of Chief Mattern, Staff is preparing to initiate an open recruitment for the position of Police Chief.

Recommendation: Support the recruitment for the position of Police Chief at the Tier 1 salary range.

Background/Discussion

Chief Mattern recently expressed his tentative intention to retire in October of this year. In order to fill the position created by his anticipated separation from employment without delay, Staff intends to initiate an open recruitment in the coming weeks for the position of Police Chief.

Resolution No. 2014-22, adopted by the City Council on July 21, 2014, set forth terms and conditions of employment for employees not represented by a bargaining unit, including Executive Management, Middle Management, and Confidential employees. Exhibit A2 of Resolution No. 2014-22 contains the Tier 1 Police Chief salary schedule for employees appointed before December 16, 2013, and Exhibit B2 contains the Police Chief salary schedule for employees appointed after December 16, 2013. Tier 1 is approximately 9% higher than Tier 2.

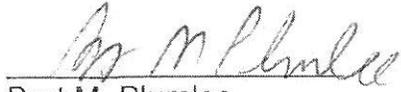
According to California Public Agency Compensation Survey (CALPACS) data, the Los Alamitos Tier 1 Police Chief salary is ranked near the bottom of all comparable positions in Orange County, with only La Palma being lower at a difference of \$47 for the top of range monthly salary. The Tier 2 salary range, at 9% below Tier 1, is significantly lower than all comparable positions in Orange County.

In order to attract qualified Police Chief applicants with a competitive salary, Staff is seeking the Budget Standing Committee's support to recruit this position at the Tier 1 salary range of Resolution No. 2014-22.

Fiscal Impact

Sufficient funds have been included in the Fiscal Year 2015/16 proposed operating budget to cover the salaries and benefits associated with a Police Chief at the Tier 1 salary range.

Submitted By:



Bret M. Plumlee
City Manager

Attachment: 1. Exhibits A2 and B2 of Resolution No. 2014-22.

CITY OF LOS ALAMITOS EXECUTIVE MANAGEMENT
SALARY SCHEDULE
Tier 1
Effective July 27, 2014

CLASS CODE	CLASSIFICATION TITLE	RANGE NO.	EMPLOYMENT CATGY/FLSA		STEP A	STEP B	STEP C	STEP D	STEP E
370	City Clerk	357	A - E	HOURLY	38.54	40.47	42.49	44.61	46.84
				BI-WEEKLY	3,083	3,238	3,399	3,569	3,747
				MONTHLY	6,680	7,015	7,365	7,732	8,119
				ANNUAL	80,163	84,178	88,379	92,789	97,427
400	Administrative Services Director	E1	A - E	HOURLY	52.18	57.39	62.61	67.12	73.03
405	Finance Director	E1	A - E	BI-WEEKLY	4,174	4,591	5,009	5,370	5,842
410	Community Development Director	E1	A - E	MONTHLY	9,045	9,948	10,852	11,634	12,659
420	Public Works Director	E1	A - E	ANNUAL	108,534	119,371	130,229	139,610	151,902
430	Recreation & Community Svcs Director	E1	A - E						
440	Police Chief	E2	A - E	HOURLY	60.70	66.76	72.83	78.90	84.97
				BI-WEEKLY	4,856	5,341	5,826	6,312	6,798
				MONTHLY	10,521	11,572	12,624	13,676	14,728
				ANNUAL	126,256	138,861	151,486	164,112	176,738
450	Assistant City Manager	E3	A - E	HOURLY	64.49	70.94	77.40	83.84	90.28
				BI-WEEKLY	5,159	5,675	6,192	6,707	7,222
				MONTHLY	11,178	12,296	13,416	14,532	15,649
				ANNUAL	134,139	147,555	160,992	174,387	187,782
500	City Manager	E4	A - E	HOURLY	66.82	73.51	80.19	86.86	93.55
				BI-WEEKLY	5,346	5,881	6,415	6,949	7,484
				MONTHLY	11,582	12,742	13,900	15,056	16,215
				ANNUAL	138,986	152,901	166,795	180,669	194,584

Employment Category

A = At Will

Fair Labor Standards Act Classification

E = Exempt from overtime

Exhibits A1 and A2 represent the salary ranges for non-represented employees appointed before December 16, 2013.

Exhibits B1 and B2 represent the salary ranges for non-represented employees appointed after December 16, 2013.

CITY OF LOS ALAMITOS EXECUTIVE MANAGEMENT
SALARY SCHEDULE
Tier 2
Effective July 27, 2014

CLASS CODE	CLASSIFICATION TITLE	RANGE NO.	EMPLOYMENT CATGY/FLSA		STEP A	STEP B	STEP C	STEP D	STEP E
370	City Clerk	357	A - E	HOURLY	35.71	37.50	39.37	41.34	43.41
				BI-WEEKLY	2,857	3,000	3,150	3,307	3,473
				MONTHLY	6,190	6,500	6,824	7,166	7,524
				ANNUAL	74,277	78,000	81,890	85,987	90,293
400	Administrative Services Director	E1	A - E	HOURLY	48.35	53.18	58.01	62.20	67.67
405	Finance Director	E1	A - E	BI-WEEKLY	3,868	4,254	4,641	4,976	5,414
410	Community Development Director	E1	A - E	MONTHLY	8,381	9,218	10,055	10,781	11,729
420	Public Works Director	E1	A - E	ANNUAL	100,568	110,614	120,661	129,376	140,754
430	Recreation & Community Svcs Director	E1	A - E						
440	Police Chief	E2	A - E	HOURLY	55.73	61.30	66.87	72.45	78.02
				BI-WEEKLY	4,458	4,904	5,350	5,796	6,242
				MONTHLY	9,660	10,625	11,591	12,558	13,523
				ANNUAL	115,918	127,504	139,090	150,696	162,282
450	Assistant City Manager	E3	A - E	HOURLY	59.75	65.73	71.72	77.69	83.66
				BI-WEEKLY	4,780	5,258	5,738	6,215	6,693
				MONTHLY	10,357	11,393	12,431	13,466	14,501
				ANNUAL	124,280	136,718	149,178	161,595	174,013
500	City Manager	E4	A - E	HOURLY	61.91	68.11	74.31	80.49	86.68
				BI-WEEKLY	4,953	5,449	5,945	6,439	6,934
				MONTHLY	10,731	11,806	12,880	13,952	15,025
				ANNUAL	128,773	141,669	154,565	167,419	180,294

Employment Category

A = At Will

Fair Labor Standards Act Classification

E = Exempt from overtime

Exhibits A1 and A2 represent the salary ranges for non-represented employees appointed before December 16, 2013.

Exhibits B1 and B2 represent the salary ranges for non-represented employees appointed after December 16, 2013.