

**SPECIAL & REGULAR MEETINGS OF THE SONOMA CITY COUNCIL
&
CONCURRENT REGULAR MEETING OF SONOMA CITY COUNCIL AS THE
SUCCESSOR AGENCY TO THE DISSOLVED SONOMA COMMUNITY
DEVELOPMENT AGENCY**



Community Meeting Room, 177 First Street West
Wednesday, September 5, 2012
5:00 p.m. Closed Session (Special Meeting)
6:00 p.m. Regular Session

MINUTES

City Council
Joanne Sanders, Mayor
Ken Brown, Mayor Pro Tem
Steve Barbose
Laurie Gallian
Tom Rouse

SPECIAL MEETING - CLOSED SESSION

1. CALL TO ORDER

At 5:00 p.m., Mayor Sanders called the meeting to order. No one from the public was present to provide public testimony on closed session items. The Council recessed into closed session with all members present. City Manager Kelly and Assistant City Attorney Nebb were also present. Planning Director Goodison was also present for Item 2B.

2. CLOSED SESSION

- A: PUBLIC EMPLOYEE PERFORMANCE EVALUATION**, pursuant to Government Code §54957. Title: City Manager.
- B: CONFERENCE WITH REAL PROPERTY NEGOTIATORS**, pursuant to Government Code §54956.8. Property: Sebastiani Theater, 476 First Street East, Sonoma. Agency Negotiators: Councilmember Barbose, Assistant City Attorney Nebb and City Manager Kelly. Negotiating Parties: Sebastiani Building Investors, Inc. Under Negotiation: Price and terms of lease.
- C: CONFERENCE WITH LABOR NEGOTIATORS**. Agency representatives: City Manager and City Attorney. Employee Organization: City of Sonoma Employees' Association (SEIU 1020). Pursuant to Government Code §54957.6.

REGULAR MEETING

The City Council reconvened in open session and Mayor Sanders called the meeting to order at 6:10 p.m. David Cook led the Pledge of Allegiance.

PRESENT: Mayor Sanders and Councilmembers Barbose, Brown, Gallian, and Rouse
ABSENT: None

ALSO PRESENT: City Manager Kelly, Assistant City Manager Giovanatto, Deputy City Clerk Evans, Assistant City Attorney Nebb.

REPORT ON CLOSED SESSION - Mayor Sanders stated that no reportable action had been taken by the City Council while in Closed Session.

1. COMMENTS FROM THE PUBLIC

Scott Cheeseman, representing the Construction Coalition, informed the Council regarding Coalition activities and stated their continued desire to collaborate with the City in formulating policy and regulations affecting their industry.

Irene Morgan announced details relating to an upcoming fundraising event at the Moose Lodge in support of Wounded Warriors.

David Cook, candidate for City Council, wished his fellow candidates good luck.

2. COUNCILMEMBERS' COMMENTS AND ANNOUNCEMENTS

Item 2A: Councilmembers' Comments and Announcements

Cm. Brown requested an update from staff regarding Commission openings. He reported a weekend full of wonderful events including the reopening of the Buena Vista Winery and the Tokaj Hungary Sister City signing. He also reported a meeting with representatives from the Sonoma County Tourism Bureau.

Item 2A: Councilmembers' Comments and Announcements, Continued

Clm. Rouse stated that the theater group had presented spectacular series of performances at the Jack London State Park and reported greeting the delegation from Tokaj Hungary at City Hall.

Clm. Barbose also commented on the many events surrounding the arrival of the Hungarian delegation.

Clm. Gallian thanked all who were involved in arranging the various Hungarian visit events.

Mayor Sanders also commented on the interaction with the Tokaj delegation and expressed gratitude to the local flag store for providing an American Flag at the last minute. She announced that she had endorsed John Sawyer for First District Supervisor.

Clm. Barbose stated that no matter who wins the Supervisor election in November, it will be a person who has owned and operated a small business. He added that he was supporting Susan Gorin for the position.

3. CITY MANAGER COMMENTS AND ANNOUNCEMENTS INCLUDING ANNOUNCEMENTS FROM SUCCESSOR AGENCY STAFF

City Manager Kelly reported that the September Oversight Board meeting had been canceled but they would conduct a special meeting on October 3 and would have their regular meeting on October 10.

4. PRESENTATIONS – None Scheduled

Item 4A: Proclamation Declaring September 5, 2012, Gary and Marcia Nelson Day

Mayor Sanders stated that she was very proud to present the proclamation and noted that it recognized actions that would have far-reaching impacts on the community. She read aloud the proclamation recognizing Gary and Marcia Nelson for their recent donation of \$3 million to the Sonoma Valley Hospital Emergency room and for many other contributions to community organizations through the years and thanked them for their generosity. Mr. Nelson expressed his appreciation for the recognition and stated that there was nothing more important to the community than education and health care.

5. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL

Item 5A: Waive Further reading and Authorize Introduction and/or Adoption of Ordinances by Title Only.

Item 5B: Approval of the Minutes of the July 16, August 15 and August 20, 2012 Meetings. (8/20 Minutes removed for separate discussion, see below)

Item 5C: Request by Vintage Festival for City-subsidized use of the Sonoma Valley Veterans' Memorial building on September 29, 2012. Approved subject to applicant's compliance with the City's standard insurance requirements.

Item 5D: Request by Sonoma/Petaluma State historic Parks Association for City-subsidized Use of the Sonoma Valley Veterans' Memorial Building on October 14, 2012. Approved subject to applicant's compliance with the City's standard insurance requirements.

Item 5E: Adoption of a Resolution Establishing a Diversion Fee for Participation in the Sonoma Valley Youth and Family Services Diversion Program. (Res No. 35-2012)

Clm. Gallian removed the August 20, 2012 minutes from Item 5B. The public comment period was opened and closed with none received. It was moved by Clm. Rouse, seconded by Clm. Gallian, to approve the items remaining on the Consent Calendar. The motion carried unanimously.

Clm. Gallian requested a correction to her statement under Committee Reports in the August 20 minutes. It was moved by Clm. Gallian, seconded by Clm. Barbose to approve the minutes as corrected. The motion carried unanimously.

6. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL AS SUCCESSOR AGENCY

Item 6A: Approval of the portions of the Minutes of the July 16, August 15 and August 20, 2012 City Council / Successor Agency Meetings pertaining to the Successor Agency.

The public comment period was opened and closed with none received. It was moved by Clm. Rouse, seconded by Clm. Gallian, to approve the consent calendar. The motion carried unanimously.

7. PUBLIC HEARING – None Scheduled.

8. REGULAR CALENDAR – CITY COUNCIL

Item 8A: Discussion, consideration and possible adoption of a resolution authorizing the issuance of bonds to refund certain pension obligations, approving the form of and authorizing the execution and delivery of a trust agreement, and authorizing judicial validation proceedings relating to the issuance of such bonds.

Assistant City Manager Giovanatto reported that on May 7, 2012 Council directed staff to initiate the process to solicit proposals from underwriting firms for the issuance of Pension Obligation Bonds to assist in reducing CalPERS costs. Staff issued a Request for Proposal to four financial advisors; three of which submitted responses and was requesting Council authorization to award the contract to Stinson Securities as Bond Underwriters and to begin the process of issuing Pension Obligation Bonds that would provide cost savings of approximately \$381,950 or 9.71% in reduced retirement payments over a nine year period. Assistant City Manager Giovanatto and Underwriter Lonnie Odem from Stinson Securities responded to questions posed by Councilmembers to further explain the refinancing procedure and its benefits. Mayor Sanders confirmed a correction would be made to the documents to eliminate a reference to the City as a Fire Protection District.

The public comment period was opened and closed with none received.

It was moved by Clm. Barbose, seconded by Clm. Gallian, to adopt the resolution entitled A Resolution of the City Council of the City of Sonoma Authorizing the Issuance of Pension Obligation Bonds to Refinance Outstanding Side Fund Obligations of the City to the California Public Employees' Retirement System, Approving the Forms of and Authorizing the Execution and Delivery of An Indenture, Directing the Filing of A Judicial Validation Action With Respect Thereto and Providing Other Matters Relating Thereto. (Res. No. 36-2012) The motion carried unanimously.

Item 8B: Discussion, consideration and possible actions by the City Council and the Sonoma Public Financing Authority to adopt resolutions authorizing the installment sale refinancing of the 2001 Revenue Bonds, Series A, for water system improvements.

Assistant City Manager Giovanatto reported that staff was requesting that the City Council, acting as the Board of the Sonoma Public Financing Authority, authorize the installment sale refinancing of the existing 2001 Revenue Bonds [COP], Series A, originally issued to finance certain water system improvements. She stated that the City was currently paying an annual payment of approximately \$140,000 at a 4-4.75% interest rate with the term of the current COP financing to mature in October 2031. Staff received estimates from two underwriting firms to refinance the 2001 Revenue Bonds, and based on the estimates, the Water Fund could benefit from an interest rate of 3.89% generating a savings of approximately \$340,000 through the remaining life of the financing [19 years]. The balance of this loan is approximately \$1.6 million. She explained that the consideration of refunding the existing bonds resulted from staff reviewing all existing debt service to determine if savings can be gained due to financial projections of declining interest rates. All savings generated by this refinancing will be realized by the Water Fund.

Clm. Rouse verified the interest rate and that the \$340,000 savings was a net number.

The public comment period was opened and closed with none received.

Item 8B: Refinancing of the 2001 Revenue Bonds, Series A, for water system improvements, continued

It was moved by Clm. Barbose, seconded by Clm. Rouse, to adopt the resolutions entitled Resolution of the City Council of the City of Sonoma Authorizing Installment Sale Refinancing of Water Improvements and Approving Related Documents and Actions (Res. No. 37-2012) and Resolution of the Board of Directors of the Sonoma Public Financing Authority Authorizing Execution of 2001 Bonds Escrow Deposit and Trust Agreement, and Approving Related Documents and Actions (Res. No. 01-2012). The motion carried unanimously.

Clm. Rouse thanked staff for bringing forward the last two agenda items that would save the City \$730,000 and said they were to be commended. Mayor Sanders complimented the City Council for maintaining the credit worthiness that enabled it to take advantage of refinancing opportunities and the current lower interest rate market.

Item 8C: Review and overview of the City's Living Wage Ordinance, requested by Mayor Sanders.

Mayor Sanders stated that she agendized this item to present an opportunity to review the City's Living Wage Ordinance and to provide an update for everyone. City Manager Kelly reported that the current living wage was \$15.15 per hour and explained when the ordinance was applicable and how it was implemented and administered by staff.

Clm. Rouse inquired who monitored the program to ensure compliance. City Manager Kelly stated it was a self-monitoring program and that whenever there was a new contract covered by the ordinance staff routinely would provide the requirements to the contractor.

Mayor Sanders stated her surprise at the low number of contracts that were affected by the ordinance and wondered how contractors were informed of the requirements. City Manager Kelly stated that for any contract that was covered under the ordinance staff would include the Living Wage Ordinance information in the bid package. Mayor Sanders confirmed that if the City were to provide money towards a swimming pool it could affect the costs down the line.

Marty Bennett, Co-Chair of the Sonoma County Living Wage Coalition, provided insights relating to the initial development of the City's ordinance and information from post-implementation fiscal studies.

Clm. Gallian stated that the financial impact on the City had been negligible and that she wanted to see the program continued. Clm. Barbose thanked the Mayor for placing the matter on the agenda and for Mr. Bennett for providing an update. Mayor Sanders stated that she had a concern that the Living Wage had unintended consequences and cited the Sonoma Creamery building as an example. She added that it was important for the City to make sure its ordinances were enforced and that there were areas of the living wage ordinance that should be tightened up.

Item 8D: Receive, discuss and consider status report from Sonoma Valley Health and Recreation Association regarding community swimming pool project.

Sam Coturri, Sonoma Valley Health and Recreation Association, reported that they had become an official 501C3 nonprofit organization and provided some of its history. He said they were looking forward to a feasibility study and were exploring the desires and needs of the community. He said they were exploring possible locations for a swimming pool but were moving away from the location on Broadway previously under consideration. He said they were moving ahead with a major capital campaign to bring in some big donors and were commencing a grass roots campaign to build up support within the community.

Mayor Sanders mentioned recent news articles that reported a possible joint venture between the hospital and Park Point and asked if anyone wanted to address that issue. Kelly Mather of Sonoma Valley Hospital clarified that the project, if there was one, would be funded by the developers. Bill Buchanan, Park Point, stated that the newspaper articles were very preliminary and that there was not a project yet. He added that he did not feel the site was large enough to include all the objectives of the community pool. Clm. Barbose asked if the City-owned property in that area was thrown in if it would make a difference. Mr. Buchanan responded it was possible but one of the main issues to be addressed was the amount of parking needed to serve all of the facilities being proposed. Ms. Mather responded that the hospital's focus was a pool for senior citizens and that the site was not large enough for an Olympic size pool.

Item 8D: Status report regarding community swimming pool project, continued

Mayor Sanders invited comments from the public. Mike Smith stated that there was a need for a pool for ordinary folks. Mayor Sanders stated her continued support for a pool and that it should be at the High School.

Item 8E: Discussion, consideration and possible action on a request for a resolution in support of Senate Joint Resolution 33 which proposes a constitutional amendment to repeal Citizens United vs. Federal Election Commission Supreme Court Decision and End Corporate Personhood, requested by Mayor Pro Tem Brown.

City Manager Kelly reported that Clm. Brown was seeking Council support for a resolution supporting Senate Joint Resolution 33 to amend the U.S. Constitution and end corporate personhood. She explained that regarding Citizens United vs. Federal Elections Commission, in 2010, the Supreme Court had ruled that corporations could participate in elections specifically through spending money on behalf of political candidates. U.S. Senator Bernie Sanders of Vermont introduced Senate Joint Resolution 33, which proposed an amendment to the U.S. Constitution to expressly exclude for-profit corporations from the rights given to natural persons by the Constitution of the United States. The amendment would prohibit corporate spending in all elections, and affirm the authority of Congress and the States to regulate corporations and to regulate and set limits on all election contributions and expenditures. The move to amend the Constitution sought to abolish "corporate personhood" to eliminate certain rights that corporations have to fund election campaigns.

Mayor Sanders invited comments from the public. The following persons spoke in favor of the Council supporting the Joint Resolution: Mike Smith, Audrey Von Holly, Greg Montgomery, Bob Bayan, Martin Bennett, Carol Todd, Reva Metzger, Claudia Robbins, Alfred Hilcon, Ned Holke, Cameron Stuckey, and Will Shonbrun.

Fred Peterson spoke against the proposal and said it was not an appropriate action for the City Council to undertake.

Clm. Rouse stated that he believed unlimited spending by corporations for elections was wrong and he supported the resolution. Clm. Gallian reported having been contacted by four people regarding this subject. It was moved by Clm. Gallian, seconded by Clm. Rouse, to adopt a resolution in support of Senate Joint Resolution 33. The motion carried unanimously. Clm. Barbose thanked those who came and spoke. He said that he felt it was an appropriate subject for the City Council; that it was a grass roots issue and the future of our democracy was at stake.

9. REGULAR CALENDAR – CITY COUNCIL AS THE SUCCESSOR AGENCY

There were no items.

10. COUNCILMEMBERS' REPORTS AND FINAL REMARKS

Item 10A: Reports Regarding Committee Activities.

Clm. Gallian provided reports regarding the Water Advisory Committee, Cemetery Subcommittee and Cittaslow.

Clm. Brown provided a report regarding the Sonoma Valley Citizens Advisory Commission.

Clm. Barbose provided a report regarding an emergency meeting of the Waste Management Agency and stated that he and Clm. Rouse would be interviewing labor negotiator candidates.

Mayor Sanders provided a report regarding the August 21 Board of Supervisor's meeting.

Item 10B: Final Councilmembers' Remarks.

Clm. Brown thanked Councilmembers for supporting Item 8E on the agenda.

Clm. Barbose stated that there was Federal funding coming through that would ultimately bring treated tertiary water up Arnold Drive to the golf course.

11. COMMENTS FROM THE PUBLIC

There were no comments from the public.

12. ADJOURNMENT

The meeting was adjourned at 8:40 p.m.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Sonoma City Council on the 1st day of October 2012.

Gay Johann, City Clerk