FINAL MINUTES

CITY OF SEASIDE
CITY COUNCIL/ SUCCESSOR
AGENCY TO THE
REDEVELOPMENT AGENCY

JOINT SPECIAL MEETING
COUNCIL CHAMBER
Thursday, July 5, 2018
5:30 PM

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 5:30 PM.

CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

PRESENT: Alexander, Campbell, Jones, Pacheco, Rubio
ABSENT: None

2. **PLEDGE OF ALLEGIANCE**

3. **PUBLIC COMMENT**

Mayor Rubio invited comments from the public and had no requests to speak.

4. **CONSENT AGENDA**

Mayor Rubio invited comments on the Consent Agenda and had no request to speak.

On motion by Mayor Pro Tem Dennis Alexander and seconded by Council Member Jason Campbell and passed by the following vote the City Council approved the Consent Agenda as presented.

RESULT: **Approved**
AYES: Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES: None

A. **APPROVAL OF MINUTES FROM JUNE 21, 2018**

Action: Approved

B. **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

Action: Approved

5. **STUDY SESSION**

The City Council unanimously agreed to re-order the agenda to conduct the study session last.

A. RECEIVE PRESENTATION ON CITY HALL SOLAR PROJECT DRAFT FEASIBILITY ANALYSIS

City Engineer Rick Riedl and Dana Coe, representative from Sage Renewable presented the results of a full solar photovoltaic (PV) feasibility study for Seaside City Hall to identify the cost and benefits of installing a system. The goal was to identify the best and most viable option to decrease the City's dependence on fossil fuels and non-renewable sources. Ms. Coe spoke to the project goals and key conclusions, provided examples of the Solar PV systems that could be utilized. Key findings were based on the level of desired investment, desired level of energy generation, current and future electricity rates, and desired structures for PV systems.

Ms. Coe detailed the location and structure options for the system explaining that the roof of City Hall is not ideal as previously thought. Other structures that were cost effective and would optimize energy generation would be the library roof, shade structures over the public parking lot and a potential shade structure over the portables.

The financial analysis considered a 25 year cumulative horizon, and looked at different financing options including, cash, financing or a power purchase agreement (PPA). Costs presented included at upfront installation, project development costs as well as ongoing maintenance and end of life decommissioning. She outlined and compared the financing approaches with No PV, PPA with prepayment, Cash financed and cash finance vs the system size. Ms. Coe and Mr. Riedl invited questions from the Council.

City Manager Malin explained that the cash financed option which would provide 60% of the City's energy production is within our existing budget and the City would own the infrastructure. He believed that rather than try to build to a maximum of our current usage, we would be better off expending the difference by implementing additional energy saving projects such as LED lighting, energy controls, window replacement and the 60% system may end up yielding a higher efficiency.

Council Member Campbell questioned and the Council discussed if the 60% cash option was chosen, there is ability to add capacity at a later date as budget is available.

Mayor Rubio invited comments from the public.

- Mitt Sawhney questioned while calculating MPV what was the opportunity cost of capital considered as he didn't think the numbers added up. He also suggested for protection of public safety personnel, if the solar structures were selected, to require individual inverters so that if there is an issue, they can be separated easier without risk of electrocution.
- Ian Oglesby requested the Council to discuss the saving gap from the 60% rate to the 100% rate and discuss what other upgrade projects are available to the building. He spoke in support of adding solar as well as improving the building.

City Manager Malin responded to public comment stating that the opportunity cost of capital in a public sector operation that is oriented toward reducing our annual operating expenses is not the typical calculation you make. The proposed would have a 25 year project life. On question about the differences from previous proposals, Mr. Malin explained previous suggestions made to the Council were made by those that had stake in the game, and Sage Renewables does not benefit with either system the City choses and the fact that this cost proposal takes into account all true as well as potential costs including the full life cycle. Council Member Pacheco spoke to his desire to choose the 60% max cash finance option and Council Member Jones agreed. Council Member Campbell also agreed citing requirement to ensure that the system is modular to be able to expand the system as desired. Mayor Pro Tem Alexander spoke in support of working toward California's Z and E goals. Mayor Rubio spoke to his desires to have a 100% system and questioned requested staff to bring back the impact to the budget and its affect to other services.

6. BUSINESS ITEMS

A. CONSIDER ADOPTION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE APPROVING AMENDMENT NO. 2 TO THE JOINT EXERCISE OF POWERS AGREEMENT WITH RESPECT TO THE CITY OF SEASIDE JOINT POWERS FINANCING AUTHORITY;

AND A RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF SEASIDE APPROVING AMENDMENT NO. 2 TO THE JOINT EXERCISE OF POWERS AGREEMENT WITH RESPECT TO THE CITY OF SEASIDE JOINT POWERS FINANCING AUTHORITY;

AND A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE APPROVING AMENDMENT NO. 2 TO THE JOINT EXERCISE OF POWERS AGREEMENT WITH RESPECT TO THE CITY OF SEASIDE JOINT POWERS FINANCING AUTHORITY

Deputy City Manager Hodgson presented the item for items A, B, C and D. Ms. Hodgson explained the requested actions to help assist with facilitation of dissolution of the Successor agency and financing of future bonds. Diana Chung, City contracted legal counsel with Richards Watson and Gershon was present. She provided a brief overview of the actions explaining that currently there is a City of Seaside Financing Authority with some debt under its purview. As the Successor agency dissolves per dissolution law, this action will substitute the parking authority now, therefore there will be no action to keep the financing authority alive. There will be financing coming before the Council in the near future. In those financing actions, we will use the proposed revised Financing Authority as the legislative body. Therefore the debt will go along without issues when the Successor Agency goes away. The final two actions are clean ups that were identified to make the authorities run smoother.

Mayor Rubio invited questions from the public.

- Mitt Sawhney questioned how much debt is being transferred, how much was raised and how much was paid off. He thinks it was supposed to dissolve within a year of dissolving. Why the urgency now and would like to understand what is payable, what is the interest rate and has it ever been refinanced, and will it impact our credit rating.

Ms. Hodgson explained that we currently have one bond outstanding with the financing authority, the golf course improvement bonds, originally 4 million but paid down. She thinks that they have another approximately 10 years. There is currently an arrangement with the golf course properties to pay that debt. W are not transferring the debt, it still stays with the financing authority. There were no other questions by the Council.

On motion by Mayor Pro Tem Dennis Alexander and seconded by Council Member Dave Pacheco and passed by the following vote the City Council adopted a resolution approving amendment no. 2 to the joint exercise of powers agreement with respect to the City of Seaside Joint Powers Financing Authority; and a resolution of the Parking Authority of the city of Seaside approving amendment no. 2 to the Joint Exercise of Powers agreement with respect to the City of Seaside Joint Powers Financing Authority; and a resolution of the Successor Agency to the Redevelopment Agency of the City of Seaside approving amendment no. 2 to the Joint Exercise of Powers Agreement with respect to the City of Seaside Joint Powers Financing Authority

RESULT: **Approved**

AYES: Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones

NOES: None

B. RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF SEASIDE APPROVING RESTATED BYLAWS OF THE PARKING AUTHORITY

Staff confirmed that this action does not change the Parking Authority it only changes the bylaws. Ms. Chung spoke to the changes to be made if adopted, primarily to set the regular meetings to coincide with the regular meetings of the City Council. Also it would establish the officers with the Parking Authority to correspond with that of the City for ease of administration.

Mayor Rubio invited comments from the public.

- Ian Oglesby expressed appreciation for updating the bylaws.

On motion by Mayor Pro Tem Dennis Alexander and seconded by Council Member Dave Pacheco and passed by the following vote the Successor Agency to the Redevelopment Agency of the City of Seaside Adopted a resolution approving restated bylaws of the Parking Authority

RESULT: **Approved**
AYES: Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES: None

C. RESOLUTION OF THE CITY OF SEASIDE JOINT POWERS FINANCING AUTHORITY AMENDING ITS REGULAR MEETING SCHEDULE AND BY-LAWS

Deputy Administrative Services Hodgson also indicated that this action updates the operations of the Authority, including setting a regular meeting date and time. Additionally, this is substituting the same people into the roles of the authority to coincide with the City operations. Mayor Rubio invited comments from the public and had no requests to speak.

On motion by Mayor Pro Tem Dennis Alexander and seconded by Council Member Dave Pacheco and passed by the following vote the Successor Agency to the Redevelopment Agency of the City of Seaside adopted a resolution amending its regular meeting schedule and by-laws

RESULT: **Approved**
AYES: Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES: None

7. CLOSED SESSION

The City Council adjourned to Closed Session at 6:46 PM.

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (1)(d)

B. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9

8. **ADJOURNMENT**

The City Council reconvened at 7:09. City Attorney Freeman indicated that one case from item 7A was not discussed. The other case was discussed, the City Council received an update and provided staff direction. He further reported that the Council discussed Item 7B, received an update and provided staff direction.

On motion the meeting was adjourned at 7:10 PM.

Respectfully submitted,

Lesley Milton-Rerig, City Clerk

Ralph Rubio, Mayor/Chair