

Fortuna City Council  
Fortuna Redevelopment Agency  
Fortuna Public Financing Authority  
September 18, 2006 6:00 PM  
City Hall

**PRESENT**

Mayor John Campbell  
Mayor Pro Tem Patrick Whitchurch  
Councilman Mel Berti  
Councilman Dean Glaser  
Councilman Doug Strehl

**STAFF**

City Manager  
City Attorney  
City Planner  
City Engineer  
Executive Assistant to CM  
Deputy City Clerk

**PRESENTATIONS AND PROCLAMATIONS**

Jim Widdoes, on behalf of the late Max Goble presented two checks to the City of Fortuna. The first check was in the amount of \$300,400 to help beautify downtown and the parks and the \$400 to be used for a suitable plaque. The second check was for \$150,000 to help maintain River Lodge. Mayor Campbell accepted the checks and thanked Jim Widdoes for the Goble Family Trust's extraordinary generosity and said that it will be spent wisely.

Mayor Campbell read a Proclamation for International Credit Union Day and presented it to Mony Dreger. Mony thanked the Council and in turn, presented a check in the amount of \$1,000 to Chief Kitna for Zorro the Police Department's canine.

Mayor Campbell then read a Proclamation for Pollution Prevention Week and presented it to Compliance Coordinator Angie Wood.

**APPROVAL OF MINUTES**

Councilman Glaser moved, seconded by Councilman Berti to approve the minutes of August 7, 2006 and August 21, 2006. Motion carried. Councilman Whitchurch moved, seconded by Councilman Strehl to approve the minutes of August 29, 2006. Motion carried.

**ORAL COMMENTS FROM THE PUBLIC**

Jennifer Jensen addressed the Council regarding excessive noise at Redwood Memorial Hospital. There being no further comments, Councilman Glaser moved, seconded by Councilman Whitchurch to close the public comment portion of the meeting at 6:15 PM.

**PAYMENT OF BILLS**

Councilman Glaser moved, seconded by Councilman Berti to authorize payment of the City's bills in the amount of \$878,302.66 for the period ending September 5th, and the Redevelopment Agency bills in the amount of \$102.21 for the same period, and City's bills in the amount of \$238,916.76 for September 18<sup>th</sup> and Redevelopment Agency bills for the same period in the amount of \$25,474.48. Motion carried.

## **CONSENT CALENDAR**

Councilman Glaser pulled item #3 the Police Department Monthly Report and indicated he would like to address this at the next meeting. Councilman Whitchurch pulled item #8, Closing the 12<sup>th</sup> Street Off-Ramp for the Apple Harvest Festival and indicated he may have a conflict of interest because of the location of his business. Councilman Whitchurch recused himself and left the Council Chambers. It was moved, seconded and carried to approve the Consent Calendar consisting of Monthly Departmental Reports and Employee Purchase of Surplus Police Department Rifles.

## **BUSINESS**

### **APPROVE THE TERMINATION OF JOINT EXERCISE OF POWERS AGREEMENT, DATED OCTOBER 20, 1993, ACTION BY THE CITY AND FORTUNA REDEVELOPMENT AGENCY; RESOLUTION NOS. 2006-45 AND RDA 2006-03**

City Manager/Executive Director Duane Rigge reviewed the staff report and indicated that in 2004 staff was unaware the City and RDA had already formed a JPA in 1993. He said this JPA has remained dormant and there are no pending or open business matters.

The meeting was opened to public comment, no comments were heard, and it was moved, seconded and carried to close the public comment portion of the meeting at 6:24 PM.

Councilman Whitchurch moved, seconded by Councilman Glaser to adopt Resolution 2006-45 and read it by title only. Motion carried unanimously by roll call vote.

Board Member Glaser moved, seconded by Board Member Strehl to adopt RDA Resolution 2006-03 and read it by title only. Motion carried unanimously by roll call vote.

### **AUTHORIZE THE ISSUANCE OF WASTEWATER REVENUE BONDS AND 1) APPROVE THE ISSUANCE OF WASTEWATER REVENUE BONDS, APPROVE THE FORMS AND AUTHORIZE THE EXECUTION OF THE TRUST AGREEMENT, A 2006 INSTALLMENT SALE AGREEMENT, AN OFFICIAL STATEMENT, A BOND PURCHASE CONTRACT CONCERNING THE BONDS AND ALL OTHER NECESSARY DOCUMENTS AND ACTIONS; ACTION BY THE FORTUNA PUBLIC FINANCE AUTHORITY; RESOLUTION NO. FPFA 2006-01. AND 2) APPROVE THE FORM OF AN INSTALLMENT SALE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, AND A BOND PURCHASE CONTRACT AND ALL OTHER NECESSARY DOCUMENTS AND ACTIONS AND EXECUTION, AND ISSUANCE OF WASTEWATER REVENUE BONDS BY THE FORTUNA PUBLIC FINANCE AUTHORITY; ACTION BY THE CITY: RESOLUTION 2006-46.**

### **AUTHORIZE THE ISSUANCE OF WATER REVENUE BONDS AND 1) APPROVE THE ISSUANCE OF WATER REVENUE BONDS, APPROVE THE**

**FORMS AND AUTHORIZE THE EXECUTION OF THE TRUST AGREEMENT, A 2006 INSTALLMENT SALE AGREEMENT, AN OFFICIAL STATEMENT, A BOND PURCHASE CONTRACT CONCERNING THE BONDS AND ALL OTHER NECESSARY DOCUMENTS AND ACTIONS; ACTION BY THE FORTUNA PUBLIC FINANCE AUTHORITY; RESOLUTION FPFA NO. 2006-02. AND 2) APPROVE THE FORM OF AN INSTALLMENT SALE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, AND A BOND PURCHASE CONTRACT AND ALL OTHER NECESSARY DOCUMENTS AND ACTIONS AND EXECUTION, AND ISSUANCE OF WATER REVENUE BONDS BY THE FORTUNA PUBLIC FINANCE AUTHORITY; ACTION BY THE CITY; RESOLUTION 2006-47.**

City Manager/Executive Director Duane Rigge read both titles and suggested these be dealt with as simultaneous items. He then introduced the finance team, Bob Gamble the Financial Advisor, Matthew Challis, the Underwriter and John Wang, Esquire the Bond Counsel. Duane said we won't know the interest rate until we get very close to issuance however, there are a total of 4 resolutions that put this into play. He said the wastewater treatment plant is well underway and we have stayed well within the bid price.

Bob Gamble gave the background and history and said a critical step was the adoption of the water and sewer rates. He said the role of the FPFA is important and they have the power to issue revenue bonds in financing public capital improvements.

Matthew Challis discussed the credit process and said the rating agency is Standard & Poor's. He said Fortuna has a good credit factor and he commended staff for the 5-year rate setting process.

John Wong said their principal role is to render an opinion and he reviewed the key bond documents associated with the transaction.

Council/Redevelopment Board members asked several questions for clarification. The meeting was opened to the public and Jessie Faulkner requested clarification of the bond insurance. There being no further comments, it was moved, seconded and carried to close the public comment portion of the meeting.

Board Member Whitchurch moved, seconded by Board Member Glaser to adopt FPFA Resolution 2006-01. Motion carried unanimously by roll call vote.

Councilman Glaser moved, seconded by Councilman Berti to adopt Resolution 2006-46. Motion carried unanimously by roll call vote.

Board Member Whitchurch moved, seconded by Board Member Berti to adopt FPFA Resolution 2006-02. Motion carried unanimously by roll call vote.

Councilman Glaser moved, seconded by Councilman Strehl to adopt Resolution 2006-46. Motion carried unanimously by roll call vote.

**CONSIDERATION OF CHANGE IN COLLATERAL ON LOAN FROM RDA TO FORTUNA FEED AND FARM SUPPLY**

Councilman Whitchurch recused himself and left the Council Chambers.

Executive Assistant to the City Manager, Cheryl Nicholson reviewed the staff report and said that Fortuna Feed and Farm Supply currently have three loans through the Redevelopment Agency. She said that 2 loans will be paid off and we will no longer be using the Dinsmore property as collateral. Cheryl said that on the 8<sup>th</sup> Street property there is only one other loan to US Bank and the balances on the US Bank and RDA loan total approximately \$43,000 resulting in a loan to value ratio of 29%.

The meeting was opened to public comment, no comments were heard and the public comment portion of the meeting was closed at 7:09 PM.

Councilman Strehl moved, seconded by Councilman Glaser to approve changing collateral on remaining loan from RDA to Fortuna Feed and Farm Supply from Dinsmore Drive property to 8<sup>th</sup> Street property. Motion carried.

Councilman Whitchurch then returned to the Council Chambers.

**AUTHORIZATION TO FILE THE FINAL SUBDIVISION MAP FOR THE METZGER SUBDIVISION AND ACCEPT THE DEDICATIONS AND IMPROVEMENTS; ACTION BY THE CITY; RESOLUTION 2006-42**

City Planner Liz Shorey said the tentative map was approved in 2006 by the City Council and the City Council must authorize recordation of the map. She said there are no improvements associated with this map and the City's easements have been dedicated with the exception of one new utility easement.

The meeting was opened to public comment, there were no comments received and the public comment portion of the meeting was closed at 7:26 PM.

Councilman Berti moved, seconded by Councilman Glaser to adopt Resolution 2006-42 and read it by title only. Motion carried unanimously by roll call vote.

**A PUBLIC HEARING TO CONSIDER APPROVAL OF THE CYPRESS RIDGE SUBDIVISION AND 1) ADOPTION OF A NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACT AND 2) APPROVAL OF THE CYPRESS RIDGE SUBDIVISION AND PLANNED DEVELOPMENT OF A 27-ACRE PARCEL INTO 52 SINGLE-FAMILY LOTS RANGING IN SIZE FROM 10,000 TO 49,736 SQUARE FEET; APPLICANTS: JOHN CAMPBELL, JON COOK, LARRY DEBENI, AND KEITH DEMELLO; ASSESSOR'S PARCEL NUMBERS: 202-261-011 AND 013; PROJECT LOCATION: EAST SIDE OF ROHNERVILLE ROAD, NORTH OF FIRST STREET; ACTION BY THE CITY; RESOLUTION NO. 2006-**

Mayor John Campbell recused himself and left the Council Chambers. Mayor Pro Tem Whitchurch conducted this portion of the meeting.

City Planner Liz Shorey showed an overhead of the tentative map and said staff recommends that Council make the finding that the second access is not feasible, and approve the proposed layout with 52 lots. Liz said there are no other feasible alternatives.

Mayor Pro Tem Whitchurch opened the Public Hearing at 7:26 PM and Travis Schneider, representing the applicant said he has no comments.

Dennis Wendt said he is in favor of the project and questioned condition #15 of a biologist as approved by the City Planner. He also expressed concern with condition 16D that stated street realignment may be needed to reduce slopes which may result in re-submittal of the tentative map. Dennis said he does not think this should come back. He also called attention to item 16Q regarding earthwork and indicated it should be April not May as stated.

There being no further comments, Councilman Glaser moved, seconded by Councilman Berti to close the Public Hearing. Motion carried.

City Planner Shorey said that #15 gives us oversight and City Manager Rigge said that staff would not withhold approval.

Councilman Glaser said the pump station at Forest Hills is not sufficient and felt Cypress Ridge should establish their own pump station. He also felt the property owners should be voting in favor of a second access, and indicated he feels the need to deny the subdivision at this time to make a second access.

Councilman Strehl said that at the Planning Commission meeting a neighboring property owner commented on a like fence for the whole property.

Mayor Pro Tem Whitchurch said he agrees we need an emergency access but questioned if it is feasible for this homeowners association to make the decision. He said he doesn't have a problem with the project as it stands.

Travis Schneider told Council the emergency access is completely independent of one another. He said they do not have it in place, but the commitment is there.

Councilman Glaser felt this should be delayed for two weeks for the Forest Hills Homeowners Association to address this.

Councilman Berti moved, seconded by Councilman Strehl to adopt Resolution 2006-48 and read it by title only. Mayor Pro Tem Whitchurch read the title, motion carried 3-1 with Councilman Glaser voting "no".

**APPROVAL OF EXTENSION OF RAVENSWOOD VILLAGE TENTATIVE MAP AND PLANNED DEVELOPMENT; LOCATION: NEWBURG ROAD; APN: 200-461-015; APPLICANTS: DAVID AND TRAVIS SCHNEIDER, ACTION BY THE CITY; RESOLUTION 2006-41**

City Planner Liz Shorey said the approved project is a subdivision into 8 lots and planned development for new construction of a 28 unit multifamily residential development. She said a conditional use permit was approved by the Planning Commission and noted there are several issues relating to map extensions. Liz also said the City cannot add new conditions to the project when approving an extension, without the consent of the applicant. She said staff is recommending approval of the extension.

The public comment portion of the meeting was opened, no comments were heard and the public comment portion was closed at 7:55 PM.

Councilman Glaser moved, seconded by Councilman Whitchurch to adopt Resolution 2006-41 and read it by title only. Motion carried unanimously by roll call vote.

**CITY MANAGER' S REPORT**

City Manager Rigge thanked Council for attending the League of California Cities Annual Conference.

**COUNCIL REPORTS AND COMMENTS**

Mayor and Council members reported on their various commissions and activities. Councilman Glaser requested an ordinance to address the posting of garage sale ads. No action was taken.

Mayor Campbell read a portion of a letter from Dr. James Anderson regarding Redwood Memorial Hospital and requested a letter be sent to Joe Marks indicating the City of Fortuna strongly supports the continuity of a full service hospital in Fortuna. Council concurred to send a letter.

There being no further business, the meeting adjourned at 8:15 PM.