MINUTES
LA PUENTE CITY COUNCIL MEETING
SPECIAL MEETING OF
MAY 8, 2013

Per *Robert's Rules of Order Newly Revised 10th Edition*, minutes are a record of the actions taken by the body. These minutes do not include a summary of the discussion but only reflect the action taken by the body. A complete audio recording of this meeting is available on the City's website www.lapuente.org

A Special City Council Meeting of the City of La Puente was held in the Council Chambers of City Hall, 15900 East Main Street, La Puente, California, on May 8, 2013, at 7:00 p.m.

CALL TO ORDER

Mayor Klinakis called the meeting to order at 7:00 p.m.

ROLL CALL

Members present: Klinakis, Lewis, Argudo, Holloway, and House

Members absent: None

Staff present: City Manager Plumlee, City Attorney Casso, City Clerk Jacquez-Nares, Interim Director of Administrative Services Steinbrink, and Finance Manager Purificacion

PLEDGE OF ALLEGIANCE

Mayor Klinakis led the Pledge of Allegiance.

ORAL COMMUNICATIONS - None.

A. NEW BUSINESS

A-1 CONSIDERATION OF AN AGREEMENT WITH THE BANK OF NEVADA TO REFINANCE A TAX EXEMPT LEASE FINANCING IN THE PRINCIPAL AMOUNT OF $9,500,000.00 AND DIRECTION TO ENTER INTO A CONTRACT FOR SPECIAL LEGAL COUNSEL SERVICES IN AN AMOUNT NOT TO EXCEED $31,000.00

Interim Administrative Services Director Steinbrink provided the summary for this item.

Council Member Argudo requested clarification on the bond rating benefits. Interim Director of Administrative Services Steinbrink stated that it was a useful if the City was planning to borrow additional money in the future.

Council Member Holloway requested clarification on the Public Financial Management (PFM) contract that was approved for $8,000. He also was concerned that in the Council discussions an additional $12,500 was discussed for the second phase of this process and staff is stating that the $24,500 has already been spent.

Council Member Holloway requested clarification on the amount of the contract with Nossaman LLP, the proposed bond counsel for the City, as the staff report and contract reflect different amounts. He asked if at the start of this project it was stated to the City Council that it would cost the City $48,000 to obtain the loan.

City Manager Plumlee stated that the PFM contract would be placed on the May 14, 2013 agenda as a consent item. The amount that has been spent would be the full amount of the contract and capped at $24,500. He stated that multiple options were discussed and that due to the Council's direction to go with a private placement instead of issuing bonds the original cost projected was within the $24,500 amount as agreed to by PFM.

City Attorney Casso stated that the correct amount is reflected on the contract with Nossaman of $24,000.

Council Member Argudo questioned the amount of the PFM agreement because he recalled that only $8,000 was approved by the City Council and agreed upon by PFM for both phase one and two.

Council Member Holloway read Council Member Argudo's motion stating that they provided authorization to move forward with the second phase but the additional dollar amount was not added to the agreement in his motion.

Council Member Lewis confirmed that the City Council intended to approve the second phase and that they were aware of the additional charge for the second phase.

City Attorney Casso provided the timeline for the PFM agreement and services which included the Council's actions and then he stated that the PFM agreement would be brought back for the Council approval on May 14, 2013 in the total amount of $24,500.

A Council discussion ensued as to the phases, money and the lack of agreement for PFM.

Mayor Klinakis stated that he would determine who was responsible for making sure that the City has all its agreements in place and who was responsible for this not to occur in the future.

Interim Director of Administrative Services Steinbrink continued to present the three options available for the refinancing.

Council Member Holloway stated his concerns with the timing of this item because the Council would be provided with a presentation on the budget at a future meeting with revenue enhancements that he believed would help the Council make the decision before them today.

A Council and staff discussion ensued on the amounts being paid for the interest and the attorney services for the refinancing. They discussed the ability to pay the principal down faster with option one and the risks of not doing anything with the current debt service. Additionally, they discussed whether there were any fees or penalties for prepayment which were none and the savings difference between the two options. It was a Council and staff consensus to go with option one level annual savings.

Council Member Argudo moved to 1) Approve Option 1 (level annual savings) for the refinancing of the 2008 debt with the Bank of Nevada, and authorize the Mayor to execute the agreement; and 2) Approve costs of issuance not to exceed $60,000.00, including costs for legal counsel in an amount not to exceed $24,000.00, and authorize the Mayor to negotiate and enter into a legal services agreement for the preparation of the loan documents and all related disclosures.; seconded by Council Member Holloway. The motion unanimously carried by the following roll call vote: AYES: Klinakis, Lewis, Argudo, Holloway, and House. NOES: None.

ORAL COMMENTS FROM COUNCIL

Mayor Klinakis thanked everyone for attending the special meeting.

ORAL COMMENTS FROM STAFF

City Manager Plumlee thanked the City Council for their feedback and stated that he would move forward with this item.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Klinakis adjourned the meeting at 8:02 p.m.

Approved this 28th day of May 2013

Pat Jacquez-Nares

Pat Jacquez-Nares, CMC
City Clerk

Charlie Klinakis

Charlie Klinakis
Mayor