

**NOVEMBER 12, 2019 MINUTES
REGULAR WHEATLAND CITY COUNCIL MEETING
WHEATLAND COMMUNITY CENTER
101 C STREET, WHEATLAND, CA
6:30–6:57 P.M.**

COUNCIL MEMBERS PRESENT: R. Coe, J. Henderson, L. McIntosh, R. West
ABSENT: J. Pendergraph

OTHERS PRESENT J. Goodwin, City Manager
J. Buckman, City Attorney
S. Mahoney, Finance Director
A. Wightman, Police Chief
A. Paquette, Fire Chief
S. Riley, Deputy City Clerk

PLEDGE OF ALLEGIANCE:

Vice Mayor R. West led the pledge of allegiance.

PUBLIC COMMENT

Pam Walsh commented street signs and an opportunity for dialogue at the special City Council meeting to be held on December 3rd.

Chris Walsh commented on the length of the Bishop Pumpkin Farm season, street signs, Bishop's employees speeding, road closure, paving and an opportunity for dialogue at the special City Council meeting to be held on December 3rd.

CONSENT CALENDAR

Motion was made by Council Member R. Coe, Seconded by Council Member R. West to approve minutes from the regular City Council meeting on October 22, 2019 and **Resolution No. 40-19 Accepting the Work Performed by JD Pasquetti, Inc. and Directing the Filing of a Notice of Completion for the Construction of the Pumpkin Farm Access Road Paving Project**. Vote called – AYES: All. Motion carried.

REGULAR CALENDAR

1) Finance Director Susan Mahoney presented the staff report for adoption of a resolution authorizing issuance, sale and delivery of revenue refunding bonds to refinance outstanding prior obligations of the wastewater system and water system and approving related agreements and actions. At the Council's October 8th meeting, the City has three outstanding loans from the United States Department of Agriculture (USDA). These loans are secured by net revenues of the City's Water and Wastewater Funds. Based on current market conditions, the City has an opportunity to refinance this debt at a significantly lower interest rate. Mark Northcross of NHA Advisors has provided a preliminary analysis of the estimated cost savings from a potential debt refinancing. Without extending the amortization period, all three loans could be refinanced now at an all-in fixed interest rate in the range of 3.15% to 3.45%. This results in the potential for a combined annual cash flow savings of approximately \$30,000 per year. Per the City's debt policy, adopted by Council September 10, 2019, a refinancing will only be considered when there is a net economic benefit from the refinancing of at least five percent on a net present value basis. The estimated net economic benefit from refinancing all three loans is 11.6% on a net present value basis or approximately \$665,000. In addition, this refinancing frees up restricted cash associated with the USDA Loans. Currently, there is about \$206,000 in the Wastewater Fund and \$172,000

in the Water Fund that will become unrestricted upon the close of this financing. This resolution authorizes the City to use sale, issue and deliver revenue bonds to refinance the three USDA loans, subject to the following conditions; the minimum net present value savings shall be at least equal to 5% of the par value of the bonds; the underwriter's discount shall not exceed 0.5%; the par value of the bonds for the Wastewater System shall not exceed \$3.7 million and the par value of the bonds for the Water System shall not exceed \$2.8 million. The authorizing resolution approves as to form other legal documents; Series A Trust Indenture, Series B Trust Indenture, Bond Purchase Agreement, Official Statement and proposed schedule.

Mayor J. Henderson commented on S & P rating, series of set up designation, coverage, debt service and USDA notes, good faith estimates, all in fixed interest rate and early pay off.

Motion was made by Council Member R Coe, Seconded by Vice Mayor R. West to **adopt Resolution No. 39-19 Authorizing the Issuance, Sale and Delivery of Revenue Refunding Bonds to Refinance Outstanding Prior Obligation of the Wastewater System and Water System and Approving Related Agreements and Actions**. Vote called – AYES: All. Motion carried.

REPORTS

Council Member R. Coe reported on the Pool Ad Hoc Committee meeting.

Vice Mayor R. West reported on AB101 Grant money for Zoning and related items.

City Manager J. Goodwin reported on Police Chief and Public Works Director recruiting progress.

ADJOURN

There being no further business, Mayor J. Henderson adjourned the meeting at 6:57 p.m.

Minutes approved and adopted this 10th day of December 2019.

Joseph Henderson, *Mayor*

Lisa J. Thomason, *City Clerk*