

CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL

Mayor Schroder called the joint meeting to order at 7:05 p.m. with all members present.

PRESENT: Lara DeLaney, Councilmember, Michael Menesini, Councilmember, Janet Kennedy, Councilmember, Mark Ross, Vice Mayor, and Rob Schroder, Mayor.

EXCUSED: None.

ABSENT: None.

PRESENTATION

Mayor Schroder announced that he had agreed to allow Shell Oil Company to make a short presentation regarding the incidents that have been occurring over the last few days.

A. Shell Oil Company

General Manager Paul Gabbard and other representatives of Shell Oil Company (Steve Leshner, Cathy Ivers, and Erin Hallissy) reviewed the recent events: the false alarm, fire and heavy flaring, release of a relief valve, and a contractor who fell from a pole. Mr. Gabbard apologized to the community for the impacts, and he indicated there will be a thorough investigation into each occurrence. He also commended his emergency response staff for their work in dealing with the events, and he stated that Shell will do whatever necessary to make everything right, and he offered a hotline phone number for those affected (925-313-3777).

Vice Mayor Ross asked for more specifics on the incidents, which Mr. Gabbard provided. Vice Mayor Ross commented on the speed of the phone tree system in Richmond as compared to the quicker notification that occurred in Martinez.

Councilmember DeLaney expressed appreciation for the prompt report, but she was concerned about potential price increases for gasoline that might occur as a consequence of these events. Mr. Gabbard explained that the local Shell refinery is not involved in the price setting, but will do everything it can to keep operating costs reasonable.

Councilmember Menesini also thanked Mr. Gabbard for the report and for Shell's commitment to the community.

PUBLIC COMMENT

Ryan Cowles, founder of "OMG, I love that Show" Productions, reviewed a proposal to manage the Campbell Theatre, as well as information on the background of his organization, experience and new ideas.

Mike Alford requested clarification on the property negotiations and asked if the City was trying to find another company to take over the Campbell Theatre. Mayor Schroder clarified that the Council was going into closed session to discuss the Campbell and Kenney building leases. He added that this is an evolving issue and no decision will be made tonight. Mr. Alford commended Shell for coming and speaking to the community.

Deborah Del Mastro, founder and member of the Campbell Theatre, discussed her experience with the theater and her concerns that it continue. She urged the Council and the community to support the Theatre and do everything possible to keep it open for the betterment of the community.

Charlie Gerratt, reporter for Rossmoor News, indicated that he supported the Arts, and he commended the Council for everything they have tried to do to keep the Campbell Theatre going. He encouraged the Council to keep the Theatre open and offered his assistance and support.

CONSENT CALENDAR

MOTION WAIVING READING OF TEXT OF ALL RESOLUTIONS AND ORDINANCES.

1. Motion rejecting claim(s) against the City by Ron Coccimiglio, #12-10.
2. Motion approving Check Reconciliation Register(s) dated 08/03/12.

Mayor Schroder opened and closed public comment on the Consent Calendar with no speakers coming forward.

Motion to approve Items #1 and #2 of the Consent Calendar. Moved by Janet Kennedy, Councilmember, seconded by Lara DeLaney, Councilmember. The Council voted to approve unanimously.

CITY MANAGER/CITY COUNCIL

3. Motion to direct staff to pay the August 1, 2012 loan payment to the State Department of Boating and Waterways.

Assistant City Manager Alan Shears presented the staff report, providing background on the loans and the Council's earlier direction to staff regarding the payments and potential funding. He also discussed the staff recommendation that the fiscal year payment to the General Fund not be paid for 2012 if the full August 1 loan payment to DBAW is not made.

Mayor Schroder asked if the funds from the fiscal year payment to the General Fund become part of the regular budget. Staff confirmed that it is part of the regular budget, but they were confident there would be no shortfall in the City's ability to meet its obligations.

Councilmember DeLaney asked for clarification on a statement in the staff report that the City Attorney believes the State requires the City to pay DBAW first before paying itself back. City

Attorney Jeff Walter stated that was not his position, and he has not formed an opinion in that regard yet. He thought perhaps staff inferred that opinion in error from comments he had made. Councilmember DeLaney asked when he might issue an opinion regarding the State's requirements, and he discussed the history of the DBAW loans and the implications if the State intended itself to be paid back first even if it results in a deficit situation for the Marina. He indicated that when all the financial analysis is complete, his opinion will likely come to the Council in a confidential format, since there will be legal implications.

Councilmember Menesini commented on difficulties in interpreting contracts and the definitions of key components - such as net revenue compared to gross revenue. City Attorney Walter discussed the implications that could result from the staff proposal to not make the August payment to DBAW nor the fiscal year payment to the General Fund.

Vice Mayor Ross agreed it would show good faith on the part of the City to defer payments to itself while also seeking a deferment and restructuring of the existing loans.

Councilmember Kennedy asked if Martinez would be in less trouble if a larger payment is made to DBAW. City Manager Phil Vince discussed his conversations with DBAW staff about the possibility of an interest only payment being made, noting that the reaction was positive.

Councilmember Menesini commented on his lack of confidence in DBAW based on past experience and the need for DBAW to rebuild trust with the City. He would, however, support the staff recommendation for the payment amount at this time.

Mayor Schroder opened public comment on the item.

Mike Alford discussed the City's past failures to make the payments it had contracted to make. He felt that the proposal by staff would demonstrate the City's efforts to make good on its commitments. He expressed appreciation for the right direction that the City is finally following.

Seeing no further speakers, Mayor Schroder closed public comment on the item.

Mayor Schroder indicated that the key to this proposal is that the General Fund is not at risk, nor is the City budget if the General Fund repayment is not made. He agreed that this demonstrates the City's efforts to honor its commitments as well as it can.

Councilmember DeLaney expressed doubt that this proposal will in any way advance the City's position with DBAW, and she was concerned about the impact on the City's budget in the long run. She was also concerned with the serious disagreement between DBAW and the City regarding the terms of the loans.

Councilmember Menesini said he agreed somewhat with Councilmember DeLaney's comments, although he was hopeful that the partial payment would give the City more favor in future negotiations to restructure the loans.

Councilmember Kennedy partly agreed, but she pointed out that making loan payments on a debt is not done to incur favor with the lender, but instead should be done because the commitment was made.

Councilmember DeLaney clarified that the debt is not one that the City owes – it is owed by the Marina Fund.

Motion to authorize staff to pay DBAW the interest portion of the loan of \$71,266 and not make the fiscal year payment of \$49,311.28 to the General Fund. Moved by Michael Menesini, Councilmember, seconded by Mark Ross, Vice Mayor. The Council voted to approve unanimously.

CLOSED SESSION (adjourn to City Manager's Office)

4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to Section 54956.8 of the California Government Code.

Property: 636 Ward Street and 115 Tarantino Drive.

Agency Negotiators: Philip Vince, City Manager; Alan Shear, Assistant City Manager, Jeff Walter, City Attorney.

Negotiating Parties: City of Martinez and Willows Theatre Company.

Under Negotiation: Terms of payment and other conditions of sale or disposition.

The Council adjourned into Closed Session at 7:56 p.m. and reconvened at 8:45 p.m. with all members present.

Mayor Schroder reported that the Council gave direction to the property negotiators, and there was nothing else to report.

5. Distribution of assets from Willows Theatre Company to the City of Martinez.

Item not discussed.

6. City Manager/City Council Comments

Mayor Schroder announced that the Alhambra High School Five Decade Reunion was taking place over the next weekend.

Councilmember Kennedy announced Art in the Park on Sunday at Susana Park.

Councilmember DeLaney indicated that she believed there was going to be a special meeting next week. Mayor Schroder indicated that it was not scheduled as yet. Councilmember DeLaney also stated that she will be leaving on Wednesday for the rest of the week.

City Manager Philip Vince stated that the Traffic Safety Committee will be reviewing the neighborhood parking complaints by the pool. Staff recognizes that there is a problem and will try to address the issues as soon as possible.

Councilmember DeLaney asked about replacing the lights in the Martinez Arch. City Manager Vince stated that there have been several problems with the lighting so staff would like the contractor to look at the entire lighting system.

ADJOURNMENT

The meeting adjourned at 9:00 p.m. to an Adjourned Regular Meeting on September 5, 2012 at 7:00 p.m. at City Hall in the Council Chambers, 525 Henrietta Street, Martinez, California.

Approved by the City Council,

Rob Schroder, Mayor

Mercy G. Cabral, Deputy City Clerk – 9/19/12