

**City of Westminster City Council Study Session  
February 6, 2006**

Mayor McNally called the Study Session to order at 6:35 PM. All Council was in attendance.

City Staff in attendance included: City Manager Brent McFall; Assistant City Manager Steve Smithers; City Attorney Marty McCullough; Assistant to the City Manager Barbara Opie; Senior Management Analyst Emily Moon; Program Officer Katie Harberg; Director of Finance Tammy Hitchens; Sales Tax Manager Barb Dolan; Director of Parks, Recreation & Libraries Bill Walenczak; Park Services Manager Rich Dahl; Landscape Architect II Kathy Piper; Treasury Manager Bob Smith; and Administrative Secretary Melissa Salazar.

The guests in attendance were Evie Hemphill with the Westminster Window; city lobbyists Danny Tomlinson and Erin Silver of Tomlinson & Associates and David Bell with Hanifen Imhoff.

**Process for Boards and Commission Appointments**

This discussion was lead by Mayor Pro-Tem Tim Kauffman. For the benefit of new council members, Tim explained the process for the Boards and Commission appointments. At the present time, there are 16-18 applications on the table ready for interviews. Council has agreed to be available for the interview panel on the 23<sup>rd</sup> and 24<sup>th</sup> of this month at 6:00p.

**Lobbyist Update**

Danny Tomlinson and Erin Silver gave a report to City Council on this year's state legislative bills. No action was necessary; this was an informative update only.

**Community Enhancement Master Plan**

Brent McFall introduced Bill Walenczak and his staff who presented to Council key elements of the proposed new Community Enhancement Master Plan. City Staff evaluated the priorities and assumptions from the 1992 plan to determine if they are still valid today and has supplemented the information with input from focus groups conducted with the City's advisory boards. This resulted in Staff developing a first draft of the attached document for City Council review and comment.

Council concurred with Staff to implement the Community Enhancement Master Plan with its revisions and to bring back to Council for official action at a future City Council meeting.

**Refunding of the 2003 Westminster Economic Development Authority Bonds (Mandalay Gardens) converting the Bonds from Taxable Bonds to Tax-Exempt Bonds (Mayor McNally excused herself from discussion because of conflict of interest)**

Brent McFall introduced Tammy Hitchens, Bob Smith and David Bell to discuss a proposed refinancing of the WEDS 2003 taxable bonds into a tax-exempt issue.

In August 2003, WEDA issued \$38,525,000 in taxable variable rate bonds to help finance development within the Mandalay Gardens Urban Renewal Area (URA), now known as the Shops at Walnut Creek.

By mid-2005 bond project funds were completely spent and subsequently, staff and the City's bond counsel, Sherman Howard, evaluated how the bond proceeds were spent in the Mandalay Gardens' project. After this analysis the tax specialist at Sherman Howard has determined that it would be possible to refund 100% of the WEDA Series 2003 Bonds with tax-exempt debt.

Conversion to tax-exempt bonds will provide significant financial benefits to WEDA relative to the Mandalay Gardens URA. Tax-exempt bonds will have a lower interest rate than taxable bonds, which will reduce the interest cost on the bonds. In addition, it affords us the opportunity to change letter of credit banks to DEPFA Bank that charges a lower letter of credit fee than the bank currently providing the direct pay letter of credit for the taxable issue. The estimated combined debt service savings is 1% below the existing debt service. This is projected to save approximately \$190,000 in 2006 and about \$240,000 each year of debt service between 2007 and 2028, or a total of approximately \$5,500,000 over the course of the life of the bonds.

Council, sans Mayor McNally, concurred with Staff's recommendation. This item will be brought back to Council and WEDA Board for official action.

Mayor Pro-Tem Kauffman adjourned the Study Session at 7:46PM to enter into an Executive Session to discuss a proposed settlement agreement in a contested tax case with City Attorney.