

**AGENDA
CITY OF FERNDALE – HUMBOLDT COUNTY CALIFORNIA – U.S.A.
SPECIAL MEETING OF THE FERNDALE CITY COUNCIL**

Location:	City Hall	Date:	September 23, 2013
	834 Main Street	Time:	8:00 AM
	Ferndale CA 95536	Posted: 09/19/13	

We welcome you to the meeting. Members of the Public may be heard on any business item on this Agenda before or during the City Council consideration of the item. The public may also directly address the City Council on any item of interest to the public that is not on the Agenda during the public comment time; however, the City Council generally cannot take action on an item not on the agenda.

A person addressing the City Council will be limited to five (5) minutes unless the Mayor of the City Council grants a longer period of time. While not required, we would appreciate it if you would identify yourself with your name and address when addressing the Council.

TO SPEAK ON ANY ISSUE, BE ACKNOWLEDGED BY THE MAYOR BEFORE PROCEEDING TO THE PODIUM, STATE YOUR NAME AND ADDRESS FOR THE RECORD (optional), AND DIRECT YOUR COMMENTS ONLY TO THE COUNCIL.

1. CALL MEETING TO ORDER – Mayor
2. PLEDGE ALLEGIANCE TO THE FLAG
3. ROLL CALL – City Clerk/Deputy City Clerk
4. CEREMONIAL: None
5. PUBLIC COMMENT. (This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration, unless a finding is made by at least 2/3^{ds} of the Council that the item came up after the agenda was posted and is of an urgent nature requiring immediate action. This portion of the meeting will be approximately 30 minutes total for all speakers, with each speaker given no more than five minutes.)
6. SPEICAL MEETING BUSINESS:
 - a. Resolution 2013-37 Annual Renewal of NVB Loan for FEMA Francis Creek Project Matching Funds.....Page 3
7. ADJOURN

**This notice is posted in compliance with Government Code §54956.
The next Regular Meeting of the Ferndale City Council will be held on
THURSDAY, October 3, 2013 in the Auditorium of City Hall at 7:00pm**



In compliance with the American with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

Section 5

BUSINESS

Meeting Date:	September 23, 2013	Agenda Item Number	5a
Agenda Item Title:	Resolution 2013-37 Authorizing the City to Borrow Funds from North Valley Bank (NVB)		
Presented By:	Jay Parrish, City Manager		
Type of Item:	<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Discussion	<input type="checkbox"/> Information
Action Required:	Approve Resolution 2013-37		

RECOMMENDATION:

Approve Resolution 2013-37 Annual Renewal of NVB loan for FEMA Francis Creek Project Matching Funds.

DISCUSSION:

The City of Ferndale applied for a \$2,436,000.00 Hazard Mitigation Grant to reduce the frequency of flooding in the City from Francis Creek from the Federal Emergency Management Agency.

The loan department at North Valley Bank requires a new resolution each year to renew the City's loan. On August 21, 2013 City Council authorized the City Manager and Mayor to submit an amount of \$25,000 to NVB as payment toward principle and interest due on this loan. The updated Terms of Agreement are attached. If approved, Resolution 2013-37 will replace last year's Resolution 2012-17.

FINANCIAL IMPACT:

No additional impacts. The loan is renewed annually.

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$126,996.63	11-04-2002	08-30-2014	3000010745	4.250 / 005	2315015	4016	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: City of Ferndale
P.O. Box 1095
Ferndale, CA 95536-1095

Lender: NORTH VALLEY BANK
BUSINESS BANKING CENTER
P. O. BOX 6517
402 F STREET
EUREKA, CA 95501

Principal Amount: \$126,996.63

Date of Agreement: September 04, 2013

DESCRIPTION OF EXISTING INDEBTEDNESS.

Original Promissory Note dated November 4, 2002 in the amount of \$290,756.56 at an interest rate of 4.750% with a maturity date of June 30, 2003, with subsequent renewals / extensions.

DESCRIPTION OF COLLATERAL.

Unsecured.

DESCRIPTION OF CHANGE IN TERMS.

Change maturity date from August 30, 2013 to August 30, 2014.

Reduce interest rate from a fixed rate of 4.750% to a fixed rate 4.250%.

Next payment due date September 30, 2013.

Borrower to pay one regular August 30, 2013 payment in the amount of \$1,948.36, at signing.

Payment amount based on an amortization of the principal over the remaining term of this note based on a 20 year amortization calculated from the original note date November 4, 2002, with a remaining amortization of 111 months, beginning September 30, 2013.

CONDITIONS / COVENANTS

Borrower to provide annual audited financial statement, due within 60 days of fiscal year-end (10/31).

Borrower to maintain a minimum average balance in a North Valley Bank deposit account of \$50,000.00, or the stated interest rate will increase by 1.000%.

PAYMENT. Borrower will pay this loan in 11 regular payments of \$1,374.04 each and one irregular last payment estimated at \$117,134.24. Borrower's first payment is due September 30, 2013, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on August 30, 2014, and will be for all principal and all accrued interest not yet paid.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

CITY OF FERNDALE

By: _____
Jay Parrish, City Manager of City of Ferndale

By: _____
Stuart Titus, Mayor of City of Ferndale

LENDER:

NORTH VALLEY BANK

X _____
Authorized Signer

RESOLUTION NO. 2013-37**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FERNDALE AUTHORIZING THE CITY TO BORROW FUNDS FROM NORTH VALLEY BANK (Replaces 2012-17)**

WHEREAS, the City of Ferndale applied for a \$2,436,000.00 Hazard Mitigation Grant to reduce the frequency of flooding in the City from Francis Creek from the Federal Emergency Management Agency; and

WHEREAS, the City of Ferndale was required to provide matching funds for twenty-five percent (25%) of the approved project; and

WHEREAS, the City of Ferndale found it necessary to borrow a portion of the required matching funds; and

WHEREAS, Resolution 2012-17 is replaced by this Resolution.

NOW, THEREFORE BE IT RESOLVED, That the City of Ferndale shall be authorized to borrow an amount not to exceed ONE HUNDRED TWENTY SIX THOUSAND, NINE HUNDRED NINETY SIX AND 63/100 DOLLARS (\$126,996.63) at a rate not to exceed FOUR AND ONE QUARTER PER CENT (4.25%) from NORTH VALLEY BANK with a maturity date of August 30, 2014. Payments amortized over 20 years all due and payable annually; and

BE IT FURTHER RESOLVED, That the loan (Loan Number 3000010745) is designated as a qualifying tax exempt obligation of the City of Ferndale within the meaning of Section 265(B)(3) of the Internal Revenue Code of 1986; and

BE IT FURTHER RESOLVED, That the Mayor and City Manager/City Clerk shall be authorized to sign loan documents to secure aforementioned loan.

PASSED AND ADOPTED by the City Council of the City of Ferndale on September 23, 2013 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Stuart Titus, Mayor

Attest:

Jay Parrish, City Manager/City Clerk

Section 6
ADJOURNMENT