MINUTES
OVERSIGHT BOARD TO THE
CITY OF SAN DIMAS SUCCESSOR AGENCY

FEBRUARY 13, 2014 4:00 P.M.
SAN DIMAS COUNCIL CHAMBERS CONFERENCE ROOM
245 E. BONITA AVENUE
SAN DIMAS, CA 91773

Present: Chairman Curt Morris, Board Members Bonnie Bowman, A.F. Feldbush, Ann Sparks, Brian Stiger, David Hall

Successor Agency Staff: City Manager Blaine Michaelis, Assistant City Manager Ken Duran, Finance Manager Barbara Bishop, Accounting Tech Steve Valdivia, City Attorney J. Kenneth Brown.

ABSENT: Larry Stevens

CALL TO ORDER

Chair Morris called the meeting to order at 4:10 pm

APPROVAL OF MINUTES OF SEPTEMBER 26, 2013

Board member Feldbush made a motion to approve the minutes of September 26, 2013 as submitted. The motion was seconded by Board member Sparks and passed by a vote of 6-0-1 with Board member Stevens absent.

RESOLUTION NO. 22 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER SAN DIMAS REDEVELOPMENT AGENCY FINDING THAT THE LOAN FROM THE FORMER SAN DIMAS REDEVELOPMENT AGENCY'S LOW AND MODERATE INCOME HOUSING FUND TO THE FORMER SAN DIMAS REDEVELOPMENT AGENCY FOR THE PURPOSE OF MEETING THE FORMER SAN DIMAS REDEVELOPMENT AGENCY FOR THE PURPOSE OF MEETING THE FORMER AGENCY'S SERAF OBLIGATION IS AN ENFORCEABLE OBLIGATION AND APPROVING THE SAME AND ADOPTING A REPAYMENT SCHEDULE PURSUANT TO HSC SECTION 34171 (d) (1) (G)

Mr. Duran provided an overview of the process for the submission for the repayment of city loans for the Oversight Board including the process to apply the statutory formula

process to determine the maximum repayment amount available each year which has been determined to be $283,154 for the upcoming submission.

Mr. Duran summarized the outstanding balance of the SERAF loan to be $1,251,331 with an anticipated potential payoff of the loan in 2017-18.

Resolution No. 22 was read by title only. Board member Feldbush made a motion to approve Resolution No. 22 as submitted. The motion was seconded by Board member Bowman and passed by a vote of 6-0-1 with Board member Stevens absent.

REVIEW AND CONSIDERATION OF RESOLUTION NO. 23 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER SAN DIMAS REDEVELOPMENT AGENCY FINDING THAT LOANS PREVIOUSLY ENTERED INTO BETWEEN THE CITY OF SAN DIMAS AND THE FORMER SAN DIMAS REDEVELOPMENT AGENCY WERE FOR LEGITIMATE REDEVELOPMENT PURPOSES AND THEREFORE ENFORCEABLE OBLIGATIONS UNDER HSC SECTION 34191.4 (b) AND APPROVING THE SAME AND A LOAN CONSOLIDATION AND NEW INTEREST AND PAYMENT SCHEDULE

Mr. Duran provided an overview of the 3 city loans – Creative Growth, Walker House, and Rancho San Dimas. Board member Hall asked what had changed for city loans to be considered for repayment. Mr. Duran explained that in the original Redevelopment dissolution, city loans were excluded as a Recognized Obligation. However subsequent legislation AB 1484 was adopted which provides for city loan repayments subject to a series of conditions and adjustments.

Mr. Duran explained the history and chronology of the activity of the 3 city loans over time. He then reviewed the process to prepare the revisions to the loans in compliance with the provisions of AB 1484 to include interest rate adjustments to the LAIF interest rates at the time. Mr. Duran reviewed prepared materials outlining a recalculation of the loans with a combined new principal amount of $11,947,719.08. Based on general assumptions, the loan payments may need to go to 2036-37 to ultimately be completely paid. Mr. Duran reviewed these calculations and procedures with the Board and noted the findings within Resolution No. 23.

Mr. Michaelis provided some background on what is happening with other agencies and court proceedings dealing with city loans. Mr. Michaelis also indicated that the city intends to speak with legislators to explain what is happening as the provisions of AB 1484 are applied to city loans.

Resolution No. 23 was read by title only. Board member Hall made a motion to approve Resolution No. 23 as submitted. The motion was seconded by Board member Feldbush and passed by a vote of 6-0-1 with Board member Stevens absent.

REVIEW AND CONSIDERATION OF RESOLUTION NO. 24 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER SAN DIMAS REDEVELOPMENT AGENCY APPROVING THE ADMINISTRATIVE BUDGET OF THE SUCCESSOR AGENCY FOR THE PERIOD OF JULY 1, 2014 THROUGH DECEMBER 31, 2014 PURSUANT TO THE HEALTH AND SAFETY CODE SECTION 34177

Mr. Duran reviewed previous submissions and payments for Administrative Costs. The proposed Administrative Costs for ROPS 14-15A is $140,000.

Resolution No. 24 was read by title only. Board member Feldbush made a motion to approve Resolution No. 24 as submitted. The motion was seconded by Board member Bowman and passed by a vote of 6-0-1 with Board member Stevens absent.

REVIEW AND CONSIDERATION OF RESOLUTION NO. 25 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER SAN DIMAS REDEVELOPMENT AGENCY APPROVING THE JULY 1, 2014 THROUGH DECEMBER 31, 2014 RECOGNIZED PAYMENT OBLIGATION SCHEDULE (ROPS 14-15 a) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34180 (g)

Mr. Duran explained the recommendations for the 14-15 A ROPS.

Resolution No. 25 was read by title only. Board member Hall made a motion to approve Resolution No. 25 as submitted. The motion was seconded by Board member Bowman and passed by a vote of 6-0-1 with Board member Stevens absent.

UPDATE ON THE LONG RANGE PROPERTY MANAGEMENT PLAN

Mr. Duran summarized the previously submitted Long Range Property Management Plan, noting that the plan was to retain the properties and pursue a sale consistent with the city and former Redevelopment Plans for those properties. The State Department of Finance offered their opinion that if the property was retained, that the city would need to enter into a compensation agreement with the other agencies and purchase the properties. Successor Agency Attorney Mr. Brown expressed a different opinion stating that the Successor Agency Long Range Property Management Plan is consistent with the provisions of the dissolution process.

REPORTS FROM STAFF

Mr. Duran noted that the original dissolution language included the possibility of State Controller Audits. He announced that the Controller's Office is coming next week to perform an audit of the Successor Agencies activities.

PUBLIC COMMENTS

None

REPORT OF BOARD MEMBERS

Board member Stiger offered appreciation for the good work of staff. Board member Bowman offered encouragement for the staff to speak with legislators to review the result of legislative actions that change and reduce the repayment of city loans.

ADJOURNMENT

5:15 pm.