

MINUTES
OVERSIGHT BOARD TO THE
CITY OF SAN DIMAS SUCCESSOR AGENCY

AUGUST 23, 2012, 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 Parks, Larry Stevens, Brian Stiger

Successor Agency Staff: City Manager Blaine Michaelis, Assistant City Manager Ken Duran, Finance Manager Barbara Bishop, Senior Accountant Steven Valdivia, City Attorney J. Kenneth Brown

ABSENT: Board Member David Hall

CALL TO ORDER

Chairman Morris called the meeting to order at 4:00 p.m.

REPORTON SUBMISSION OF THE HOUSING ASSET LIST TO THE DEPARTMENT OF FINANCE

Mr. Duran reported that the Successor Agency submitted the Housing Asset List by the required deadline of August 1, 2012. He added that the Oversight Board is not required to approve the list; however, he provided it to them for their information.

REVIEW AND CONSIDERATION OF RESOLUTION NO. 12 – 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 JANUARY 1, 2013 THROUGH JUNE 30, 2013 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

Mr. Duran reported that the Oversight Board is required to approve an Administrative Budget for the Successor Agency for 6 month periods. He added that the January – June 2013 budget is estimated at the same number of personnel hours as the July – December 2012 period. He referenced Exhibit B which shows the actual personnel hours for the January – June 2012 period exceeding the original estimate.

In response to a question by Mr. Stevens, Mr. Duran stated that there is no provision to be reimbursed for expenses that exceeded the estimate; however, there is a mechanism in the ROPS to adjust for actual expenses that were under the estimate.

In response to a question by Mr. Feldbush, Ms. Bishop responded that the personnel hourly rate went down for the proposed period because of adjustments to employee benefit costs.

After the title was read Mr. Stevens made a motion to waive further reading and adopt Resolution No. 12. The motion was seconded by Ms. Sparks and passed unanimously.

REVIEW AND CONSIDERATION OF RESOLUTION NO. 13 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER SAN DIMAS REDEVELOPMENT AGENCY APPROVING THE JANUARY 1, 2013 THROUGH JUNE 30, 2013 RECOGNIZED PAYMENT OBLIGATION SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34180(g)

Mr. Duran provided an overview of his staff report, reviewing the timeline for the ROPS III submission, description of the new reporting form and the summary description of the enforceable obligation items. He commented that all of the items included on the ROPS III report, with the exception of item #17, were included in the previous two ROPS and approved by the Oversight Board and Department of Finance. He explained that one of the provisions in AB 1484 was to allow as an enforceable obligation expenses associated with the elimination of redevelopment agency staff. He added that the City recently had some staff reductions including the elimination of the redevelopment housing staff. He further added that the amount included on the ROPS as item #17, is the amount of costs associated with the elimination of two positions pursuant to the City's Personnel Rules and Regulations.

In response to a question by Mr. Stevens, Mr. Duran stated that the projects associated with low and moderate income housing are included on the ROPS but not funded from the RTTPF but the low and moderate income housing funds.

Mr. Feldbush asked the staff and City Attorney if they had any consternation over the inclusion of any of the obligation items. Mr. Duran responded that as has been previously reported to the Board staff has issue with City loans not being approved as obligations. However, per the Department of Finance the loans can be identified on the ROPS as long as there is no request for funding. Mr. Stevens added that since there is a provision in AB 1484 to approve City loans after going through certain hurdles they should remain on.

In response to a question by Mr. Feldbush regarding other agencies loans, Mr. Michaelis replied that DOF has consistently not funded City loans. Mr. Feldbush

inquired whether or not there will be litigation regarding the city loans. Mr. Michaelis responded that cities had held out hope that AB 1484 would acknowledge city loans but it does not recognize them entirely, therefore cities may now be looking at options for a legal strategy. He also provided an overview of a recent lawsuit filed against the State by a bond insurer dealing with impairment of contracts and inverse condemnation. There was discussion on the points of that lawsuit.

Mr. Duran also commented that with the original ROPS submittals DOF had questioned the Walker House LLC loan and that after providing them additional documentation and explanation they ultimately approved the obligation.

There was further discussion on when the city would be eligible to submit for payment of the existing City loans and the process to do that.

After the title was read Mr. Stevens made a motion to waive further reading and adopt Resolution No. 13. The motion was seconded by Ms. Sparks and passed unanimously.

DISCUSSION ON OVERSIGHT BOARD RETENTION OF OUTSIDE ASSISTANCE

Mr. Duran reported that Mr. Feldbush had suggested that the Board have a discussion on the merits of retaining outside consulting assistance. He added that Mr., Stinger had also suggested consideration for outside legal assistance. He stated that the item is before the Board for discussion and consideration.

In response to a question by Mr. Morris regarding if there are consultants available, Mr. Duran responded that he is aware of some consulting firms and law firms providing this type of assistance.

Mr. Feldbush commented that he is spending a lot of time reviewing documents and participating in webinars and feels to do his job right he could use some assistance. He added that he felt it would be good to at least find out who might be available.

Ms. Sparks commented that though she does not see a current need for assistance, it may not be a bad idea to have resources identified if it becomes necessary.

In response to a question by Mr. Stevens, Mr. Feldbush commented that he does not envision the assistance to do work in lieu of staff but to be an oversight of the staff work.

There was discussion on the Oversight Boards role in the review process.

Mr. Morris suggested that maybe staff could review what resources might be available through the County or by independent consultants. Ms. Bowman suggested finding out what assistance other Oversight Boards requested. Mr. Stiger commented that the Glendale Board that he also serves on hired their own legal counsel. He described the process they went through to make the selection.

It was Board consensus to direct staff to investigate what outside resources are available and what other Boards have done to retain outside assistance.

PUBLIC COMMENT

There were no comments from the public.

REPORTS OF BOARD MEMBERS

Mr. Duran reported that one of the requirements of AB1x 26 was for counties to perform an agreed-upon procedures audit of the first ROPS. He updated the Board that the County recently submitted a draft of the audit for City review and that the City has issue with the short time frame to review the report and some of its findings. He added that the City has requested, and been granted an extension to respond to the report. Mr. Feldbush asked if it would be appropriate for the Board to get a copy of the report. Mr. Duran responded that the final report will be presented to the Board and that a draft of the report with City rebuttal will also be provided.

Mr. Duran also reported that a new requirement pursuant to AB 1484 is a cash audit of low and moderate housing funds and former redevelopment agency cash funds to be initiated by the Successor Agency. Ms. Bishop added that the auditors have been retained and going through a training on the agreed upon procedures. Mr. Duran added that the audit must be submitted to the Oversight Board for review and submitted to the DOF by October 15th.

Ms. Bowman asked if Dr. Hall's question at the prior meeting regarding liability coverage of board members had been answered. Mr. Duran responded that Dr. Hall had confirmed that the Community College provides errors and omission coverage and he believes that satisfied his concerns.

Ms. Bowman commented that she appreciates staff's reports on litigation regarding the dissolution process.

ADJOURNEMENT

There being no further business the meeting was adjourned at 5:00 p.m. until the next regular scheduled meeting on September 13th, 2012 at 4:00 p.m.

MINUTES
OVERSIGHT BOARD TO THE
CITY OF SAN DIMAS SUCCESSOR AGENCY

OCTOBER 4, 2012, 4:00 PM
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, Larry Stevens, Brian Stiger, David Hall

Successor Agency Staff: City Manager Blaine Michaelis, Finance Manager Barbara Bishop, Senior Accountant Steven Valdivia, City Attorney Mark Steres
Representative from Los Angeles County also present.

CALL TO ORDER

Chairman Morris called the meeting to order at 4:05 p.m.

PUBLIC COMMENT SESSION ON DUE DILIGENCE REVIEW OF LOW AND MODERATE INCOME HOUSING FUNDS

Mr. Michaelis provided a brief summary of the Audit. Available cash and assets of the former Low and Moderate Income Housing Fund was established at \$7,121,959. There are \$7,121,959 in obligations and expenses against that revenue. Pending final DOF approval, the \$366,949 remaining balance is to be sent to the county to be distributed to the taxing agencies. Chair Morris opened the meeting to invite public comment on the Due Diligence Audit. There were no comments from the public. Upon motion of Board Member Sparks, Second by Board Member Bowman, the public comment session was closed.

PUBLIC COMMENTS

None

REPORT OF BOARD MEMBERS

Board Member Feldbush asked about the requirement to utilize a financial advisor. Staff theorized that the financial advisor requirement could be part of an upcoming process dealing with the disposition and liquidation of the property of the former Redevelopment Agency.

ADJOURNMENT

4:23 p.m.

Next meeting of the Oversight Board October 11, 2012 4:00 p.m.