

MINUTES
OVERSIGHT BOARD TO THE
CITY OF SAN DIMAS SUCCESSOR AGENCY

OCTOBER 11, 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, David Hall, Ann Sparks, 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

CALL TO ORDER

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

APPROVAL OF MINUTES OF OCTOBER 4, 2012

Mr. Feldbush made a motion to approve the minutes of October 4, 2012 as submitted. The motion was seconded by Mr. Hall and approved unanimously.

REVIEW AND APPROVAL OF DUE DILIGENCE REVIEW OF LOW AND MODERATE INCOME HOUSING FUND

Mr. Duran summarized the staff report and provided an overview of the Review process. He indicated that the Board conducted the required public participation meeting on October 4th. He also highlighted that the Review concludes that the Agency has \$366,949 in cash assets available for distribution to other taxing entities.

Chair Morris asked for clarification on the \$1,591,000 non-cash asset identified in the report. Mr. Brown responded that that represents the 4 Grove Station units acquired by the Agency.

In response to a question regarding the Bonita Gateway obligation, Mr. Brown responded that the existing Agreement will at some point be assumed by the new development entity.

Mr. Hall asked how the cash obligations will be kept by the City. Mr. Duran responded that the cash will be retained in a separate Housing Authority account until the obligation is paid.

Mr. Feldbush asked what happens to the housing projects if the Agreements aren't funded. Mr. Stevens responded that the City is not sure if the projects would go forward. Mr. Duran added that part of the Review was to review the Agreements and validate that they are an enforceable obligation, which the Review concluded.

In response to a question Mr. Michaelis explained the low and moderate affordable guidelines and the formulas within the Grove Station Agreement.

Mr. Stevens made a motion to approve the Due Diligence Review of the Low and Moderate Income Housing Fund as submitted by the auditor and authorize staff to submit it to the Department of Finance. The motion was seconded by Ms. Sparks and approved unanimously.

In response to a question Mr. Duran responded that the cost of the audits is considered as an administrative expense and will be included on the next ROPS.

PUBLIC COMMENT

There were no comments from the public.

REPORTS OF BOARD MEMBERS

There were no Board Member reports.

ADJOURNEMENT

There being no further business the meeting was adjourned at 4:40 p.m.

MINUTES
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DECEMBER 13, 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, David Hall, Ann Sparks, 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

CALL TO ORDER

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

REPORTS FROM STAFF

Mr. Duran provided a memo to the Board updating recent Successor Agency activities including the status of the Low Moderate Housing Fund Due Diligence Review, ROPS III appeal, Housing Asset List appeal, City Council update and future meeting dates. Board member Feldbush asked about the significance of not being able to keep the money for the Grove Station Low Mod project. Mr. Brown responded to the details of the Agreement. Mr. Michaelis also responded that the City does not have an obligation to provide the financial assistance if the low mod funds are not made available.

PUBLIC COMMENT SESSION ON DUE DILEGENCE REVIEW OF THE OTHER REDEVELOPMENT AGENCY FUNDS

Mr. Duran summarized his staff report on this item. He stated that the requirement to conduct a Due Diligence Review (DDR) of non-housing Agency assets is similar to the requirement of the housing assets review that the Board previously approved. He highlighted that the bottom line of the review is that the amount of cash available for redistribution to other Agencies is a negative \$1.6 million dollars and therefore no funds are available for redistribution. He introduced Brain Gruber from the audit firm of Lance, Soll & Lungard.

Mr. Gruber provided a review of each of the sections of the DDR. He highlighted that Procedure 10 is to identify excess monies of the Agency. He added that there are no

excess funds and therefore none available for redistribution. He further added that the DDR is subject to Department of Finance review.

Board member Feldbush asked Mr. xxx if he identified any inappropriate handling of assets. Mr. Gruber responded that if he had they would have been identified in the report. He added that all the documentation that they reviewed supported that the timing of all transactions were proper.

Board member Feldbush asked Mr. Gruber if his firm was involved in the development of the procedures for the reviews. Mr. Gruber responded that his firm was part of an auditors committee that advised the State on developing the procedures.

Board member Hall asked Mr. Gruber if from his review of Agencies having a negative balance was unusual. Mr. Gruber responded that they performed review of about 50 Agencies and they found the results to range widely, from having \$50 million in cash to having negative cash like San Dimas.

Chair Morris stated that the purpose of today's meeting was to provide public comment on the Due Diligence Review. He asked for members of the public to comment. There were no public comments.

Mr. Duran stated that the Board will be scheduled to consider and approve the DDR at their January 10, 2013 meeting. He encouraged Board members to contact him prior to that meeting if they have any further questions regarding the DDR.

REPORTS OF BOARD MEMBERS

Chair Morris asked when decisions on property disposition will be before the Board. Mr. Duran provided a summary of the Long Range Property Management Plan (LRPMP) process. He added that once the Department of Finance issues a Finding of Completion to the Agency, sometime in April, the timeline for developing the LRPMP begins. There was some discussion on what would be included in the LRPMP.

ADJOURNEMENT

There being no further business the meeting was adjourned at 4:40 p.m. until the next regular scheduled meeting on January 10, 2013 at 4:00 p.m.