Oversight Board Summary
Minutes
March 29, 2012

Oversight Board
Thursday, March 29, 2012
2:00 p.m. – 4:00 p.m.
Redwood City, City Hall
1017 Middlefield Road
Redwood City, CA 94063
2nd Floor, Conference Room 2B

Members:
Steve Abbors, Appointee - Present
Alicia Aguirre, Appointee - Present
Bob Bell, Appointee - Present
Barbara Christensen, Appointee - Present
David Holland, Appointee - Present
Enrique Navas, Appointee - Present
Mike Roberts, Appointee - Present

City Staff as Successor Agency Attendees:
Bill Ekern, Community Development Director - Present
Deanna La Croix, Executive Assistant - Present
Brian Ponty, Finance Director/Assistant City Manager - Present
Pamela Thompson, City Attorney - Present
Veronica Ramirez, Assistant City Attorney - Present
Silvia Voncierlinden, City Clerk - Present

Craig Labadie, Special Counsel – Present
Additional individuals present – Sheryl Schaffner and Lynn Tottori
Kyi Khin, Senior Accountant

I. Introductions

Bob Bell, City Manager

Mr. Bell called the meeting to order and made introductory remarks. He welcomed all those present. He announced that the second appointment for the City of Redwood City had been made through the Mayor and it was going to be Mr. Bell. Mr. Brian Ponty will be the staff contact for the Oversight Board.

Mr. Bell referred to a binder just received from Ms. Christensen inquiring if the full group had received it. The response was negative, so he clarified that the group was going to be working from the one that was prepared specifically for this meeting and everyone had a copy at their seats. Ms. Christensen noted that her intention was to share the information provided to the Controller and all the documents included were legal documents. Legal Counsel noted that when information is distributed to one member of the Board all need to receive it as well. The group then proceeded to introduce themselves.

Mr. Bell underscored that many of the people at the table had been or were presently partners, and he is looking forward to finding collaborative approaches to resolving the issues this Oversight Board will need to address. He said that Redwood City is ready and
willing to support and help the process.

II. Operating & Administrative Procedures

Mr. Ponty walked the Oversight Board through the agenda. He asked Mr. Ekern to provide a brief background of Redwood City's Redevelopment Agency (RDA). Mr. Ekern noted that the RDA was formed in 1982, and controlled about 1,000 acres in the project area. He made comments about how the City used the Redevelopment Agency to create opportunities like the Sequoia Station and various housing projects. He alluded to the Precise Plan and the powerful tool it was for projects. There were some questions about the Precise Plan and Attorney Thompson made some clarifying comments.

III. Oversight Board Requirements, Deadlines, and Suggested Meeting Dates

Mr. Ponty asked Mr. Labadie to make some comments about Board Requirements. Mr. Labadie spoke about Reporting Obligations (Form 700), Public Records Act requests and how this body will work towards the winding down of the Redevelopment Agency. He also covered the issue of deadlines around ROPS. He noted that some of the duties of the oversight include: adopting an administrative budget and disposing of former RDA assets and review of existing contractual obligations. He anticipates a high level of activity in the first few months.

Mr. Bell clarified that the meeting is being recorded.
Mr. Roberts inquired about the official record and the creation of the minutes. Mr. Labadie said that the minutes will be the official record of the meeting. Mr. Roberts further asked about a Secretary for the Board. Mr. Bell said that the City Clerk would fulfill that role. Ms. Vonderlinden, noted that the minutes will be summary unless otherwise instructed.

The City Clerk then performed the Oath of Office for the Oversight Board Members.

Ms. Christensen inquired about the second appointee by the City and if this position is one of those that are representative of a Union. Mr. Bell noted that the City did not have any Redevelopment Agency employees per se. Mr. Bell explained that Redwood City is interpreting that the Executive Director of the Agency, which was Mr. Bell, could serve as the appointee. Mayor Aguirre said that the City also looked at what other cities are doing but she appreciates the opportunity to review this matter. Ms. Thompson believes this appointment is consistent with current law. Ms. Christensen requested that Legal Counsel look at that appointment.

M/S Christensen/Navas to have Legal Counsel review the second appointment to the Oversight Board. Motion carried unanimously.

Mr. Roberts inquired about having an Oversight Board website. Mr. Bell said that currently the Oversight Board items are being posted to the current Successor Agency website. Mr. Roberts would like the facts on
the website. Mr. Ladable made some clarifying comments. Mr. Bell, said that if there was the need for a separate Oversight Board page he would like to know how that would be supported and by whom. Mr. Roberts explained that his main concern is that the record is straight and clear. The issue of Closed Sessions came up and Mr. Ladable explained when these sessions could be held and under what topics.

Mr. Navas asked Mr. Ladable to share his experience and business acumen. Mr. Ponty said that this would be handled under item IV.

In order to finish up Agenda Item III Mr. Ponty shared the upcoming key dates that require Oversight Board action or other Agencies:

-Early April - certification of the ROPS by the County Auditor
-April 9 - City Council as Successor Agency will adopt a revised ROPS (from the original ROPS of February 27, 2012)
* Mr. Ponty recommended having the Oversight Board review such ROPS the week of April 9
-April 15- have the first ROPS adopted by the Oversight Board

Questions were posed about the ROPS going to Council on April 9 and if it includes revisions. Mr. Ponty confirmed there are revisions to the document. Ms. Christensen asked specific questions about the ROPS and the assets listed and the transfer of assets. Mr. Ponty confirmed that asset transfers are being reported to the State Department of Finance but that no cash was transferred. Ms. Ramirez explained that these were real property asset transfers.

Ms. Christensen asked a specific question about a housing project. Mr. Ponty said this was in the low-moderate housing. He explained this was appropriated within the Housing Fund. Ms. Christensen wants to look at this issue.

Dates discussion continuation:
-April 23 – review of the second ROPS (July 1 through Dec. 31, 2012)
-May 11 – review and approve the second ROPS

More questions were posed about the ROPS. Mr. Bell explained that the questions being posed are being pulled from a document that not all the Oversight Board Members had reviewed or seen. Mr. Ponty said he would need to review the document in advance in order to answer. Another Board Member opposed having questions derived from a document that was not presented to the full board. It was agreed that these items will be addressed at the next meeting.

Ms. Christensen requested that questions posed to the staff liaison be also copied to the Chair. There was concurrence on this matter.

The issue of the Oversight Board’s role was discussed in detail. Mr. Ladable explained that Members of the Oversight Board have a fiduciary duty to the debt holders and the enforceable obligations incurred.

The dates agreed upon for future meetings were:
1) April 12, from 1:30 p.m. to 4:00 p.m.
2) May 1 from 2:00 p.m. to 4:00 p.m.

Two Oversight Board Members would like to have access to the instruments used in the creation of the ROPS. Mr. Ponty suggested
making items requested by the auditors available to the Oversight Board Members, through a Box.com a file sharing system service.

Mr. Navas requested that, on the ROPS, not only to cross-reference the law be include an explanation of why it applies. Ms. Christensen also requested data on the inception of the original obligation and the termination date for items listed. Mr. Ponty suggested having the Oversight Board Members review the information in the Box.com first; and, then if there was a need to still dig deeper, he would provide the information mentioned.

As a process methodology, the Oversight Board agreed to have questions go to Mr. Ponty directly, with a copy to the Board, and the answer coming from Mr. Ponty directly to the full group. Attorney Ladabie alerted all to exercise caution on email and to only pose the question to staff and not engage in a discussion. This could be a violation of the Brown Act.

IV. Discussion of Legal Representation

Ms. Thompson provided some introductory remarks explaining how she had contacted two attorneys who had a high level of independence, highly qualified and respected. She found two people Mr. Craig Ladabie and Gary Baum. She included in the contract, for future consideration by the Oversight Board, a cost savings measure to have agencies in San Mateo County share certain legal bills if they are all receiving the same services. The proposed negotiated rate is $215.

Mr. Ladabie provided details about his experience as a City Attorney and the various jurisdictions he served. Mr. Ladabie disclosed that he is Bruce Ladabie’s brother, a musical promoter, who has undertaken work for Redwood City. Ms. Thompson noted that the contract with Bruce Ladabie is not going to be renewed.

Various Oversight Board Members asked questions regarding the legal services contract. Ms. Thompson said she had shared the contract with the other 13 Oversight Boards in San Mateo County, should they be interested. One member inquired about the common questions and the shared billing. Mr. Ladabie provided clarification on how this would work out to not replicate efforts and save funds to the Oversight Board.

M/S Christensen/Navas to designate Mr. Craig Ladabie as the Legal Counsel for the Oversight Board. Motion carried unanimously.

City Attorney Thompson noted that the matter of approving his agreement would be formally adopted at the next meeting.

V. Status of ROPS and Next Steps

Mr. Ponty explained that revised first ROPS (January 1 through June 30, 2012) is going to Council on April 9, 2012 and the second ROPs will go to the City Council on April 23, 2012.

Ms. Christensen asked about the various items listed on the ROPS and how there were zeros. Ms. Ramirez, explained that this refers to binding agreements where no action has occurred. Regarding the N/A designation, Mr. Ponty explained that it refers to closed Purchase Orders.
Ms. Christensen inquired about staff costs and how these will be accounted for in the administrative budget. There was a question if the Successor Agency budget had been approved and Mr. Ekern said this has not been approved. Ms. Ramirez explained this will come back to the Oversight Board with the ROPS. She added that it is the role of the Oversight Board to review the Successor Agency Administrative Budget.

The Administrative Budget will be discussed in more detail and Ms. Ramirez requested that Legal Counsel for the Oversight Board address these issues at the next meeting. The value and computation for the Administrative Budget was discussed. The approval of the ROPS was discussed in detail and what happens if the Oversight Board does not approve of it. Ms. Ramirez commented that the Department of Finance has the final word. Mr. Roberts inquired who will be authorizing the expenditure of funds. Ms. Christensen, questioned the $1.9 million figure for staffing, and transfer of assets transactions. Mr. Ponty took note of these issues to be addressed at the next meeting.

VI. Selection of Chair/Vice Chair

Mr. Holland was nominated by Alicia Aguirre, second by Barbara Christensen to be the Chair. Motion carried unanimously.

Mr. Roberts was nominated by Alicia Aguirre, second by Barbara Christensen to act as Vice Chair. Motion carried unanimously.

VII. Set Future Agenda Items/Dates

Items agreed on for future agendas:
- Review and approval of the ROPS
- Approval of Mr. Ladabie’s Professional Services Agreement
- Review of any items listed on the ROPS including transfers and RDA assets for any contracts between the City and the RDA since January 2011
- Approval of the Oversight Board Administrative Budget
- Composition of the Board

Mr. Bell referred to a document in the binder (under tab six) which addresses the transfers between the City and the Redevelopment Agency post January 2011. He covered other documents included which might shed some light on some of the posed questions.

There was some interest in having the staff report that is going to the City Council accompanying the ROPs on April 9, 2012. Mr. Ponty offered to share it with the Oversight Board. Mr. Bell thanked the staff for all the work done in terms of the audit and the preparation of the information leading up to this meeting.

VIII. Public Comments - There was no public comment

Ⅴ. Adjourn – The meeting adjourned at 3:40 p.m.

Respectfully submitted,

Silvie Vanderlinden,
City Clerk

Approved at the Oversight Meeting of April 12, 2012.