SUMMARY MINUTES

Oversight Board
Tuesday, May 1, 2012
2:00 p.m. – 4:00 p.m.

Redwood Shores Library
399 Marine Parkway
Redwood City, CA 94065
Meeting Room A

Members:
David Holland, Chair
Mike Roberts, Vice Chair - absent
Steve Abbors
Alicia C. Aguirre
Blake Lyon
Barbara Christensen
Enrique Navas

City Staff as Successor Agency Attendees:
Bob Bell, City Manager
Bill E kern, Community Development Director
Alison Freeman, Finance Manager
Brian Ponty, Finance Director/Assistant City Manager
Veronica Ramirez, Assistant City Attorney
Pamela Thompson, City Attorney
Silvia Vonderlinden, City Clerk

Craig Labadie, Special Counsel

I. Call to Order
   Chair

II. Roll Call – Mike Roberts absent – all others present
   Chair
   The Chair made opening comments about clarity on what will be
   on future agendas and how it would be helpful to take one motion
   for each item decided upon.

III. Public Comments – There was no public comment
   Chair

IV. Approval of Minutes
   Chair
   The Chair said there were a couple of small revisions. Member Navas
   said he had comments and he sent them to Brian and the City Clerk.
   Mr. Blake Lyon noted he should be listed as a Member of the Oversight
   Board and not staff. Furthermore, Mr. Lyon said that he did abstain on
   item four, because he was not present at the previous meeting.
M/S Christensen/Navas to approve the Minutes for April 12, 2012 with minor revisions. **Motion carried unanimously by voice vote.**

One Member wanted greater clarity on why certain items were not on the agenda and responded to, but the minutes said these were going to be addressed at today's meeting. She asked if Mr. Ponty had flagged everything that should be at the next agenda. He responded that it is helpful if there is consensus on what is to be addressed at the next meeting.

Member Navas suggested reordering a certain item on the Agenda. Chair Holland concurred and moved agenda item VII to the front of agenda item V.

**Item VII was addressed first.**

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**VII. Oral Communications from the Successor Agency Contact**

- Update from State Department of Finance
- Update on Audit
- Update on Legal Expenses

Mr. Ponty provided some clarifying comments about the ROPS before the Board which is revised and it includes the corrected citations. On page three the change was the funding source for the Successor Agency and an addition (item 21) (of page one) relating to the audit of the former redevelopment agency.

Mr. Ponty noted that the Department of Finance (DOF) informed staff that they were disallowing certain items. He provided further details on which items of the first ROPS were disallowed. Mr. Ponty cross referenced those items and row numbers to the current ROPS in front of the Oversight Board and noted the changes made. Ms. Ramirez said that the only items disqualified were items six and seven, and that the DOF requested further information and they identified other items as administrative costs. Mr. Ponty cross referenced the items from the letter to the first ROPS that had been approved. He provided details on various bonds that had been issued to clarify the items on the ROPS.

Ms. Thompson, City Attorney, was asked to respond to items related to the legal budget. She handed out a proposed budget of $24,000 and commented that to date $2,500 has been spent. Mr. Ponty continued explaining the items which were disallowed item by item. On item #9 Mr. Ekern, Director of Community Development, provided details on the agreement between City Hall and the US Postal Service. Regarding item #16 (legal fees for Mr. Labadie) the Department of Finance believes this should be within the Administrative Budget. Ms. Ramirez said that staff is trying to work with the Department of Finance to provide additional information. She also said staff is asking for time to review the details, the first ROPS, and possibly the second ROPS. Mr. Labadie added that such items cannot be processed until the Department of Finance approves them.

Mr. Ponty then provided an update on the audit of the Redevelopment Agency. The Chair said since this is completed then move to item V and
the Chair would like individual votes on each item discussed and voted on.

V. Review and Approval of Second Recognized Obligation Payment Schedule (July 1, 2012 – December 31, 2012)

The Board discussed the items on the second ROPS. Ms. Ramirez responded to questions about the trust fund. There were questions about reserves; Mr. Ponty said that to his understanding, the reserves from the housing funds have to go back and cannot be used. The Board discussed different legislation that is being considered by the Legislature.

Mr. Ponty went through the ROPS, line by line item. Questions were posed on item 1 – Tax Allocation Bonds and 2 – Interest on those Bonds.
M/S Christensen/Navas to approve items #1 and #2. **Motion carried unanimously.**
On Line Item # 3 the consensus was to just keep it as a place holder.
M/S Christensen/Aguirre to approve item #3. **Motion carried unanimously.**
The discussion was to have Item #4 remain here and it will be paid off on the third ROPS.
M/S Blake/Christensen to approve Item #4. **Motion carried unanimously.**
M/S Navas/Abbors to approve Items #5 and 6 pending the outcome of the Department of Finance. **Motion carried unanimously.**
Ms. Ramirez said that these will be and see what happens.
M/S Abbors/Navas to approve Item #7 for fiscal agent fees. **Motion carried unanimously.**
M/S Navas/Abbors to approve Item #8 pending the determination of the DOF. **Motion carried unanimously.**
M/S Abbors/Holland to approve Item #9 pending the determination of the DOF. **Motion carried unanimously.**
One Board Member inquired about these two last items and Ms. Ramirez confirmed. Mr. Labadie said that this was not disallowed, but will be pulled from the SA Administrative Budget.
M/S Navas/Lyon to approve Item #10 on the ROPS, pending determination by County Controller. **Motion carried unanimously.**
M/S Christensen/Aguirre to approve Item #11 relating to Bradford Street.
Mr. Lyon asked about the payments done over 6 months, and Mr. Ekern said the work is not done. Also the question arose as to why this would not come out of the low/moderate income housing fund. Mr. Labadie said this is locked down so he does not see it being possible. One Member said that other agencies are using it and the Chair offered to ask of the County Controller. **Motion carried unanimously.**
Mr. Abbors would like the same question asked for 12 and 13.
M/S Lyon/Abbors to approve Item #12. This was discussed because the property will be sold. Furthermore, the question was asked as to why the Successor Agency should pay for the remediation if the City is going to keep the money. Mr. Ponty said that originally it was owned by the Agency and then moved out to the Successor Agency. Ms. Ramirez clarified these are low and moderate housing and provided additional details. **Motion carried with Christensen and Navas opposing.**
M/S to Christensen/Lyon to approve Item #13 relating to the property at
Heller and the site remediation. **Motion carried unanimously.**
M/S Christensen/Abbors to approve item #14 the Housing Endowment Fund Trust. **Motion carried unanimously.**
M/S Lyon/Aguirre to approve item #15. **Motion carried unanimously.**
M/S Navas/Christensen to approve item #16 pending determination whether this will be part of the Administrative Costs. **Motion carried unanimously.**
M/S Christensen/Abbors to approve items 17, 18, 19, 20 and leave them in the ROPS as placeholders. **Motion carried unanimously.**
M/S Christensen/Navas to approve item #21 relating to the audit of the Redevelopment Agency. **Motion carried unanimously.**

Mr. Ponty said that on page two no action is required by the Board since these are Pass Through payments. Ms. Ramirez said these are contractual agreements.
M/S Christensen/Navas to approve items #1 through #9 on page two. **Motion carried unanimously.**
On item #10 Ms. Ponty was asked to provide a synopsis of the prior discussion. This is the last payment to the Legal Aid Society.
M/S Christensen/Aguirre on item #10. **Motion carried unanimously.**

On Page #3 staff asked that the Board approve a Successor Agency Administrative Cost Allowance of $250,000. Mr. Navas asked what would happen if the determination items from page one would fall under here.
Mr. Ponty said that the other items would have to come out of the general fund and place more obligations on the City.
M/S Navas/Abbors to approve the item on page #3. **Motion carried unanimously.**

### VI. Set Date and Agenda for Next Board Meeting

There was a suggestion to have one regular meeting a month. There was some discussion about dates and days that would work. The Third Thursday of the month seemed to be good days for the majority.

The Oversight Board approve the following dates for its next meetings:
- June 21 at 2:00 p.m. at the Redwood Shores Library
- July 19 at 2:00 p.m. at the Redwood Shores Library
- August 16 at 2:00 p.m. at the Redwood Shores Library

The Chair said that items for the next agenda should be sent to him.
There was a question about placing the former RDA audit onto the next agenda. Mr. Ponty said that the Board is free to look at the audit, but the County Controller will issue a final report in July. Mr. Abbors wanted detailed financial sheets for various funds to see where the money is coming from. Mr. Ponty said that the detailed financials have been provided. Mr. Ponty provided a Flow of Funds under AB1 X 26 and explained the items, but no action was taken on the matter. He said that there are some arithmetic issues that are unresolved.

### VII. Oral Communications from the Successor Agency Contact *(addressed earlier)*

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<thead>
<tr>
<th>Brian Ponty</th>
<th>Pamela Thompson</th>
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<tbody>
<tr>
<td>a. Update from State Department of Finance</td>
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<td>b. Update on Audit</td>
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<td>c. Update on Legal Expenses</td>
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VIII. Adjourn – the meeting adjourned at 3:10 p.m.

Respectfully submitted,

Silvia Vanderlinden,
City Clerk

Approved at the Oversight Board meeting of June 21, 2012.