



Minutes Of The Special Meeting Of The Oversight Board To The City Of Ridgecrest Successor Redevelopment Agency

CITY COUNCIL CHAMBERS
100 West California Avenue
Ridgecrest, CA 93555

April 30, 2012
3:00 p.m.

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by the Oversight Board. Meetings are recorded for the purpose of preparation of minutes.

CALL TO ORDER at 3:05pm

ROLL CALL

Present: D. Clark, T. Sloan, G. Rice, P. Breeden, J. Fallgatter, G. Lebsock
Absent: None
Staff Present: City Manager Kurt Wilson, Administrative Secretary Ricca Charlon

SELF-INTRODUCTION OF OVERSIGHT BOARD MEMBERS AND SUPPORT STAFF

ELECTION OF CHAIR AND VICE CHAIR OF OVERSIGHT BOARD AND APPROVAL OF RESOLUTION PRESENTED BY ADOPTION

Motion Made To Nominate Dan Clark As Chairman Made By T. Sloan, Second By P. Breeden. No Other Nominations Made. Motion Carried By Roll Call Vote Of 6 Ayes, 0 Nays, 0 Abstain, And 0 Absent

Motion Made To Nominate Peggy Breeden As Vice Chairman Made By T. Sloan, Second By J. Fallgatter. No Other Nominations Made. Motion Carried By Roll Call Vote Of 6 Ayes, 0 Nays, 0 Abstain, And 0 Absent

*Motion To Approve **A Resolution Of The Oversight Board To The City Of Ridgecrest Successor Redevelopment Agency Confirming The Election Of A Chairman And Vice Chairman** Made By G. Rice, Second By J. Fallgatter. Motion Carried By Voice Vote Of 6 Ayes, 0 Nays, 0 Abstain, And 0 Absent.*

APPROVAL OF AGENDA

Motion To Approve Agenda Was Made By G Rice, Second By G. Lebsock. Motion Carried By Roll Call Vote Of 6 Ayes, 0 Nays, 0 Absent, 0 Abstain.

PUBLIC COMMENT – None

DISCUSSION AND OTHER ACTION ITEMS

1. Overview Presentation of the Role of Oversight Board and Successor Agency

Wilson- gave staff report on Successor Agency and explained the dissolution of the RDA by the State in order to close its own budget gaps and how it relates to AB1x26. Background given on AB1x27 and how it was ruled unconstitutional and how the Agency was to be formed going forward. Successor Agency is the body that takes over the day to day operations of the former RDA. Many gaps in the Legislation and one of those are who is appropriate to serve as legal Counsel to the Board. No clear answer on this but Mr. Thomas Clark is here representing the Successor Agency (not the Oversight Board) and here to answer questions for guidance/clarification as appropriate.

Mr. Clark gave a Power point explanation of the Successor Agency and the Oversight Board separation of duties. The Successor Agency deals with assets and liabilities of the former RDA except the Housing function(s). Successor Agency is to wind up affairs of the former RDA and perform the Enforceable Obligations. Oversight Board will have fiduciary duties to the taxing entities that you represent and the holders of these enforceable obligations. Actions of the Oversight Board are subject to review by State Department of Finance (DOF). Oversight Board has approval rights over most of the activities of the Successor Agency (new loans, merger of project areas, etc.). The Oversight Board is to approve the Recognized Obligation Payment Schedule (ROPS) in six month increments and each subsequent action is subject to review by the DOF. Oversight Board to ensure that any assets of the Successor Agency are disposed of expeditiously and at the maximum value (as to real estate). Board has the ability to make a determination as to whether enforceable obligation(s) should be renegotiated, terminated, or enforced according to their terms. Goal is to reduce liabilities and increase revenues to taxing entities.

- Breeden – We are to check the money that the Successor Agency is paying/spending, that is only the money that comes from the former RDA; not all monies?
- Tom Clark – Yes, does not spill over into the City.
- Fallgatter – Buried in these numbers are dollars that actually fund activities/bodies within the City?
- Tom Clark – Yes, activities/staff for support to the Successor Agency as it relates going forward is in the Administrative budget.

2. Adoption of Conflict of Interest Code and Approval of Resolution presented by Adoption.

City Manager gave staff report. Oversight Board is the guardian of public funds to an extent. Transparency is key and to ensure that people who make decisions based on public dollars don't gain personal benefit this Conflict of Interest Code should be adopted.

Motion To Approve A Resolution Of The Oversight Board To The City Of Ridgecrest Successor Redevelopment Agency To Adopt A Conflict of Interest Code Made By J. Fallgatter. Second By P. Breeden, Motion Carried By Voice Vote Of 6 Ayes, 0 Nays, 0 Abstain, And 0 Absent.

3. Designation of a Secretary and the Contact Individual for the Department of Finance and Approval of Resolution presented by Adoption.

City Manager gave staff report. Staff gave recommendation for Ricca Charlon to be designated as Secretary and Tyrell Staheli be the Point of Contact for the State of Ca DOF with your approval.

Motion To Approve A Resolution Of The Oversight Board To The City Of Ridgecrest Successor Redevelopment Agency To Designate A Contact Individual For The Department of Finance Made By G. Lebsock, Second By J. Fallgatter, Motion Carried By Voice Vote Of 6 Ayes, 0 Nays, 0 Abstain, And 0 Absent.

4. Review and Approve Recognized Obligations Payment Schedule (ROPS) of the former Ridgecrest Redevelopment Agency and Approval of Resolution presented by Adoption.

Ty Staheli – Overview of ROPS. This ROPS has been approved by the City Council and now at Oversight Board level for approval. The first page is the enforceable obligations that are related to Tax increment funding, second page is the bond projects with the TAB2010 funds, third page is the administrative budget, and fourth page is pass through payments as calculated by Kern County.

- Fallgatter – Has this been forwarded to the DOF yet?
- Staheli - DOF has received this along with the County of Kern prior to the 15th of April deadline.
- Fallgatter – Have we heard anything back?
- Staheli - DOF has asked for some clarification as it relates to certain contracts which we provided. The Auditor of the County did come out and go over it with us.
- Fallgatter/Breeden – can we see the correspondence with these agencies?
- Staheli – Yes, we can provide.

- Rice- every 6 months Board will approve a new list, will there be new projects?
- Wilson... only to the extent that it will relate to an existing enforceable obligation.
- Enforceable Obligation Payment Schedule (EOPS) is the larger picture of expenditures of the former RDA. The Recognized Obligation Payment Schedule is a snapshot of time of present obligation and what is needed to be paid in the next six months.
- Fallgatter – is the EOPS total and nothing new will show up?
- Staheli – 99.9% yes that is true.

Public Comment

- Mike Neel – Randall Street – Has the full EOPS from the website and asked for the ROPS being discussed tonight (given). He reviewed quickly and pointed out several items on page 2 – lines 1, 2, 5, 9, 12, 13, 14, 15, 16, 17. All have used the term contractual obligation in reference to them which means has to be in place - these items have no current contracts. The RDA never approved expenditures for these items. No resolutions have ever been approved.

Staff/Board Comment

- Wilson – In relation to Mr. Neel - contract is with bond holders not actually 'the person waiting to get paid' so they are contractual and enforceable.
- Breeden – are we saying the Council has approved all that previously?
Wilson - Council has approved the option that has gone out to the bond holders.
- Rice- do we have legal documentation backing up the contractual agreement with the bond holders?
- T. Clark – yes, listed in bond obligation.
- Fallgatter – was it listed blanket or are they called out in the bond obligation.
- Wilson- bond documents are specific in some cases but others show under an umbrella, but all show up in the intent of the bond issued and the Official Statement.
- T. Clark – What do you do with bond proceeds? Law says you can use bond proceeds for the initial purposes with no contract if it says it in the documents, which it does here.
- Ty - Your vote here today is on the recognized obligations today and their use for this six month period.

Motion To Approve A Resolution Of The Oversight Board To The City Of Ridgecrest Successor Redevelopment Agency As Amended To Approve The Recognized Obligations Payment Schedule (ROPS) For The January 1, 2012 – June 30, 2012 Period Made By G. Rice, Second By G. Lebsock.

Motion Carried By Voice Vote Of 6 Ayes, 0 Nays, 0 Abstain, And 0 Absent.

***Line item 6, page 2 –College Heights Infrastructure*

Voice Vote Of 5 Ayes, 0 Nays, 1 Abstain (Fallgatter), And 0 Absent.

***Line item 11, page 1 –IWVWD Payment*

Voice Vote Of 5 Ayes, 0 Nays, 1 Abstain (Breedon), And 0 Absent.

5. Transfer of Housing Rights and Assets to the Ridgecrest Housing Authority and Approval of Resolution presented by Adoption

McRea- City Council on January 11, 2012 did assume the need for a Housing Authority. Pursuant to the requirements of the DOF and legal counsel this resolution transfers the housing authority properties and assets from the former RDA to the Housing authority and no longer under this Boards review.

- Lebsock – We did not receive the list, why is the resolution saying list ‘to come’?
- McRea- List is still in the making. We do have a potential list that is still in the legislative process. The Board is not providing funds they are transferring the prior RDA low and moderate set aside funds, assets, and all property loans and grants.

Public Comment – none

Board unanimously elected to bring this item back to the table at the next meeting. Staff directed to gather a comprehensive list of properties and a description of their value, assets and liabilities for further review by the Board.

6. Transfer of Real Property held in the Public Interest *back to the City.*

Wilson reported the properties are owned by the former RDA that are outside the RDA project area. The 5 items listed are exempt under that provision and need to be..... given back to the City.

Public Comment

- Mike Neel – Randall St. – Points out item A in the staff report is not a function of the City, it is being used by Waste Management. In his opinion the property needs to be put back under the Successor Agency and then be sold off.

Staff/Board Comment

- Wilson – regarding Mr. Neel’s comments – City would be responsible for this function if Waste Management did not exist and the company is still a necessity.
- T. Clark – cited Health and Safety code 34181

Minute Motion To Approve Transfer Of Real Property Held In The Public Interest Back To The City Made By G. Lebsock, Second By J. Fallgatter, Motion Carried By Voice Vote Of 6 Ayes, 0 Nays, 0 Abstain, And 0 Absent.

****Letter 'E' –1140 N. China Lake Blvd.**

Voice Vote Of 5 Ayes, 0 Nays, 1 Abstain (D. Clark), And 0 Absent.

7. Establish Future Meeting Dates And Approve Resolution 12-Xx By Adoption.

Wilson – staff requests meeting rather quickly to meet next state payment schedule. Board members agreed to meet @ 5pm on May 7, 2012. The regular 6 month calendar will be decided then.

Board Member Comments

- Lebsock – pretty overwhelming, next Monday is quick
- Falgatter – asked T. Clark should we be retaining counsel? What is the best source of guidance for the Board? Will Counsel be an ongoing case?
- T. Clark – LA County has a lot of information for guidance. DOF has started the first wave as we see them go forward we should have a good sense by the next meeting. Counsel retaining would come out of the administrative budget and what would have come out of the taxing entities and is certainly appropriate, but he could direct to applicable statues and such. Yes,
- Breeden – thanks staff for the '6 inches' of info. Anything staff can direct her to and help with understanding?
- T. Clark – cited Health & Safety Code 34181/34180 which lists successor agency duties; both good information to learn more.
- Rice – thanked Staff.
- Sloan – Board have any term obligation?
- T. Clark - 4 year time limit (2016)
- D. Clark – interesting meeting, Appreciates Board efforts and time, Wants to thank staff.

Adjournment 5:15pm to Special Meeting Monday May 7, 2012 at 5:00pm.