



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

December 3, 2012
6:00 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 – 6:00pm

ROLL CALL

Present: D. Clark, T. Sloan, G. Rice, P. Breeden, G. Lebsock, J. Fallgatter
Absent: None
Staff: City Manager D. Speer, Board Secretary R. Charlton, Economic Development Manager G. Parsons, Consultant J. McRea

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

*Motion To Approve Agenda Was Made By P. Breeden, Second By G. Rice.
Motion Carried By Voice Vote Of 5 Ayes, 0 Nays, 0 Absent, 0 Abstain*

APPROVAL OF MINUTES – October 8, 2012

*Motion To Approve Minutes From the October 8, 2012 Oversight Board Special Meeting As Presented Was Made By G. Rice, Second By G. Lebsock.
Motion Carried By Voice Vote Of 5 Ayes, 0 Nays, 0 Absent, 0 Abstain*

PUBLIC COMMENT - None

PUBLIC HEARINGS

1. Public Hearing Non-Housing Due Diligence Report Prepared By Pun And McGeady LLP Parsons

This report identifies the expenditures of the Agency during that time, to legitimize those spendings, and then to determine the amount of unobligated monies that need to be returned to the County Auditor Controller and then to taxing entities.

D. Clark – Is there a short narrative within the audit that might help us understand?

G. Parsons – No, there is not a narrative. The key items are the financial items on the last few pages and that will help in understanding and staff feels those are the key items of interest. The bottom line is that the Agency only has about 4 million dollars of non-housing money available that will go back to the taxing entities.

G. Rice – have you been able to review the audit enough to react and share your feelings?

G. Parsons – Honestly, no I have not had time.

J. Fallgatter – Can you tell us what the latest reading from the DOF on the unspent TAB proceeds?

G. Parsons – Those funds are committed and not part of this audit. The funds are safe and so far the DOF has not gone after most of those funds obligated prior to the cutoff date.

J. Fallgatter – That is good news if that is where they are standing right now.

G. Parsons – On ROPS I & II they have been approved for payment.

J. Fallgatter – We have the proceeds from the bonds right?

G. Parsons – Correct, we are the holders of the funds.

PUBLIC COMMENT – None

D. Speer – In terms of the TAB expenditures that is all in exhibit D for your review.

J. Fallgatter – Is it your opinion that we are totally home free on TAB?

G. Parsons – At this time, yes. When we can have the TAB monies available is once we have the certificate of compliance from the state that they are satisfied with the amount of money owed to them. That is supposed to happen in April or May. Other than AMG we are in compliance with the TAB funds.

DISCUSSION AND OTHER ACTION ITEMS

2. Sierra Sands Unified School District

Parsons

Mr. Parsons did some research with the Attorney and came up with the agreement between the city and SSUSD dated Sep 1991 and some additional correspondence between the school district and the auditor controller. The School district borrowed from the RDA \$4 million for a school renovation and then obligated 2% of their pass through money to pay that debt off at 5% simple interest. Then the auditor started subtracting from the school payment the 2% to repay the loan to the city. The payment to the city went on beyond the 4 million and the 5% interest which appears to be the 1.1 or 1.2 million that was overpaid. Our RDA attorney he said the loan had been paid in full. The question is the approximate 1.1 overpayment. It is staffs belief that this should be put on ROPS IV as an obligation of the agency. Staff's position would be to support the request for funds.

G. Rice – Last meeting we talked about the fact the city did not actually hold the money. So would the payment via the \$4 million come from CAC?

G. Parsons - This would be an obligation of the RDA so this would come directly from the RDA, not the state.

G. Parsons – This agreement was old enough to be well before the cutoff date and I do believe they cannot argue it.

P. Breeden – If the school district would have had the money in their account they would have collected interest. Is that doable?

G. Parsons – Only if we want to get the CAC involved and I don't believe you want to open that.

G. Lebsock – So have the payments discontinued?

T. Sloan – Yes, way back in 2002. Since this item did not show up on the EOPS is this going to be a problem?

G. Parsons – No, we are going to have to revise the EOPS to make this work.

G. Rice – McRea indicated last time this report might lend some credence as to the clarity of the amount owed. Has this done that?

G. Parsons – As noted earlier the auditor said since it was not on the EOPS they did not consider it. So no it is not included on this report.

D. Clark - Do you direction from this group to put it on the ROPS or can it just be done?

G. Parsons – We will get that direction from the council who will see the ROPS prior to you.

D. Clark – We have a meeting discrepancy as far as a quorum being available. Two alternatives suggested – Original Dec 13th meeting – Rice and Fallgatter, possibly Breeden – not available. Might move meeting to Dec 10th 6pm. Notice will go out within a day or two as to which date the next meeting is.

BOARD MEMBER COMMENTS

Fallgatter, Lebsock, Sloan, Breeden, Clark – None

Rice – thanked staff for bringing clarity to this SSUSD issue.

SUPPORT STAFF COMMENTS

Speer – attended Financial Municipal Conference last week. One speaker was an expert on RDA law. He made it very clear that the State is out to get anything they can. Everything we can think of should be on the ROPS since it would be appealable and there is no loss if disapproved. We should definitely be aggressive as to what we put on the ROPS going forward.

ADJOURNMENT - 6:40pm