

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF TRACY
COMMUNITY DEVELOPMENT AGENCY

REGULAR MEETING MINUTES

October 6, 2015, 3:30 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

1. CALL TO ORDER - Chair Sensibaugh called the meeting to order at 3:30 p.m.
2. ROLL CALL - Roll call found Board Members Borwick, Khan, Maciel, Puentes-Griffith, Thomas and Chair Sensibaugh present; Board Member Miller absent. Also present were Robert Harmon, Senior Accountant, and Adrienne Richardson, Recording Secretary.
3. ITEMS FROM THE AUDIENCE – None
4. APPROVAL OF MINUTES – It was moved by Board Member Maciel and seconded by Board Member Khan to approve the regular meeting minutes of March 3, 2015. Voice vote found Board Members Borwick, Khan, Maciel, Puentes-Griffith, Thomas and Chair Sensibaugh in favor. Board Member Miller absent.
5. OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) – Robert Harmon, Senior Accountant provided the staff report. Effective February 1, 2012, the State of California dissolved redevelopment agencies through the passage of ABX1 26 and replaced them with successor agencies. The Tracy City Council elected to serve as the successor agency for the former City of Tracy Community Development Agency (CDA).

The Successor Agency previously approved an Enforceable Obligation Payment Schedule (EOPS) which listed various financial obligations of the City's former CDA. The law now requires that successor agencies adopt a Recognized Obligation Payment Schedule (ROPS) twice a year listing all enforceable obligations proposed for payment and the Oversight Board approve the ROPS. The ROPS 15-16B schedule attached to the staff report is for the period January 1, 2016 through June 30, 2016, and lists the Enforceable Obligations in a format prescribed by the state Department of Finance (DOF).

The ROPS 15-16B was approved by resolution of the Successor Agency on September 15, 2015.

The \$2,703,231 in enforceable obligations for this six-month period, \$2,578,231 is for outstanding debt obligations and fees of the former CDA including \$1,557,822 for 2003 Tax Allocation Bond A payments, \$1,008,409 for 2003 Tax Allocation Bond B payments, and \$12,000 for debt service fees. These bond payments will continue through 2034 for the Tax Allocation Bonds. The maximum allowable reimbursement for administrative costs and associated expenses is \$250,000, even though actual costs may exceed that amount. Half of this amount is identified on each ROPS and will be funded with cash through the Redevelopment Property Tax Trust Funds (RPTTF). Unspent current period

administrative costs are recovered by the RPTTF in future ROPS periods. In the last three ROPS approvals, the Department of Finance has denied RPTTF funding for administrative costs and instead directed that administrative costs be funded through cash available in the Successor Agency fund rather than allotting cash from the RPTTF.

Staff recommended that the Oversight Board of the Successor Agency to the City of Tracy Community Development Agency adopt a resolution approving the Recognized Obligation Payment Schedule of the former Tracy Community Development Agency for the period January 1, 2016, through June 30, 2016.

Board Member Maciel asked if there was any benefit to continually requesting the \$125,000 Successor Agency Administration Costs. Mr. Harmon explained the benefit of requesting the maximum amount of the Successor Agency Administration Cost.

Board Member Sensibaugh asked why there is no item 6 on the ROPs spreadsheet. Mr. Harmon responded he was not sure why there was no item 6, as the Department of Finance prepares the report and it is a locked report where information can only be entered in certain columns.

It was moved by Board Member Maciel and seconded by Board Member Puentes-Griffith to adopt Resolution OB2015-002 approving the Recognized Obligation Payment Schedule (ROPS) of the Tracy Community Development Agency. Voice vote found all in favor; passed and so order. Board Member Miller absent.

6. STAFF UPDATES – Robert Harmon, Senior Accountant, stated the Governor signed Senate Bill 107 (SB 107). A few changes were made to the redevelopment law. Beginning July 1, 2016, SB 107 will require the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPs) for a one year fiscal period, and would authorize the ROPs to be amended by the Oversight Board once per Recognized Obligation Payment Schedule period.

Mr. Harmon added the legislation allows for the Successor Agency to maintain parking lots as long as they do not generate excess revenue. The Successor Agency had three parking lots that generate zero revenue. SB 107 will allow transfer of parking lots to Successor Agency if that is the desire of the Oversight Board.

In order to get a Finding of Completion the Successor Agency has to pay the amount demanded by the Department of Finance (DOF) or enter into installments with the DOF by December 31, 2015. Mr. Harmon is working with the DOF in order to have a Finding of Completion by the end of year.

Staff is actively looking at refinancing the agencies debt by the end of the year. There is significant savings by refinancing. The City of Tracy receives approximately 18% of Redevelopment Property Tax Trust Fund (RPTTF) and the share for the City would be about \$270,000 annually. Total savings will be approximately \$1.5 million to all the taxing agencies. Staff hopes to have bonds closed by the end of the year while rates are low, which will require a couple more meetings in 2015. A special meeting may have to be held to meet calendar requirements.

Board Member Sensibaugh asked if there was any information on the law suit. Mr. Harmon responded there has been no movement.

7. ITEMS FROM THE AUDIENCE – None.
8. ADJOURNMENT - It was moved by Board Member Maciel to adjourn at 3:52 p.m. Voice vote found Board Members Borwick, Khan, Maciel, Puentes-Griffith, Thomas and Chair Sensibaugh in favor. Board Member Miller absent.

Chair

Successor Agency Secretary