

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

REGULAR MEETING MINUTES

Tuesday, November 5, 2013, 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 Chair Sensibaugh, Board Members Borwick, Maciel, Thomas, Miller, and Khan present; Board Member Puentes-Griffith absent. Also present were Robert Harmon, Senior Accountant, Dan Sodergren, City Attorney and Jan Couturier, Recording Secretary.

3. ITEMS FROM THE AUDIENCE - None

4. OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY APPROVING THE REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)

Chair Sensibaugh called for a staff report. Robert Harmon, Senior Accountant, presented the revised Recognized Obligation Payment Schedule (ROPS) 13-14B which was originally approved by the Oversight Board in August. He advised that, due to a new system which had recently been introduced by the State of California, the report of fund balances was rejected and a complete re-submission was required. He further commented that the only change to the report was more updated information which included actual expenses in fund balances which decreased the request by \$8,460. He advised that staff requested the board's approval of the ROPS Schedule and approve the resolution. Mr. Harmon indicated this rejection is not unusual.

Chair Sensibaugh requested clarification on the date of approval indicated in the report. Mr. Harmon clarified that City Council approved in August acting on behalf of the Successor Agency. Chair Sensibaugh then asked about the amounts due. Mr. Harmon advised the amount requested in the ROPS was \$2,634,884.

Chair Sensibaugh asked the board if there were any further questions; seeing none, he requested a motion. Board Member Maciel moved that the Oversight Board approve the revised Recognized Obligation Payment Schedule 13-14B. The motion was seconded by Board Member Thomas. All in favor; none opposed.

5. LITIGATION UPDATE

Dan Sodergren, City Attorney, provided the Successor Agency Litigation staff report. He indicated that every Successor Agency must conduct a Due Diligence Review (DDR) through a licensed accountant, which the City has done. He provided a summary of the issues in the staff report stating that the Department of Finance (DOF) originally denied

most items in the DDR and subsequently, the City had a Meet & Confer meeting with the DOF to review the city's position. The City's M&C request was denied. He indicated that in response to that denial, the Successor Agency filed suit against the DOF and he provided specifics. He further advised there are a number of these types of cases statewide, all of which will go through the courts in Sacramento. He mentioned that the City of Tracy's court date would be in July of 2014.

Board Member Maciel asked if the final date for use of funds was originally June 30, 2012. Sodergren said that was the date. Maciel asked if the City was committed to using the funds prior to that date to assure compliance? Mr. Sodergren said that was correct.

Chair Sensibaugh advised that on behalf of the board, he contacted attorney Betsy Straus as he had been requested to do. He then asked if the assets would need to be liquidated to pay these fees and Mr. Sodergren indicated that the state could begin withholding sales tax if the City does not pay the monies. The City of Tracy is looking into whether this is legal for the state to do. If it is deemed illegal, the state would have to pay the amounts back with penalties.

In regards to liquidating assets, Mr. Harmon advised that because the improvements that were made were as a result of a grant, the City entered into the agreement therefore this is considered City of Tracy property. These are not redevelopment assets and cannot be liquidated.

Board Member Maciel asked which court had jurisdiction and City Attorney Sodergren advised it was Sacramento Superior Court.

Mr. Harmon commented about how this related to future actions on redevelopment agency owned properties and that these assets would be dealt with through the Property Management Plan. But he added that the City would need a Finding of Completion from the DOF before the Property Management Plan can be completed and submitted to the DOF.

Chair Sensibaugh asked that updates continue to be provided at future meetings.

6. ITEMS FROM THE AUDIENCE None
7. BOARD MEMBER ITEMS None
8. ADJOURNMENT

Board Member Maciel moved to adjourn at 3:51 p.m.


Chair


Successor Agency Secretary