

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

SPECIAL MEETING MINUTES

Wednesday, February 13, 2013, 3:30 p.m.

City Council Chambers, 333 Civic Center Plaza

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

1. Chair Sensibaugh called the meeting to order at 3:37 p.m., and led the Pledge of Allegiance.
2. ROLL CALL – Roll call found Board Members Borwick, Khan, Maciel, Board Members Miller, Thomas, and Chair Sensibaugh present. Board Member Puentes-Griffith absent.
3. Robert Harmon, Senior Accountant, provided clarification on revised minutes of October 4, 2012.

Chair Sensibaugh asked if there were any questions regarding the revision of the minutes. There were no questions. The revised minutes were approved.

4. 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 presented the staff report. Mr. Harmon explained that the ROPS line item descriptions are now fixed by the state and cannot be changed.

Chair Sensibaugh asked if Item K on the report was a default calculation. Mr. Harmon responded that yes it is a default calculation. Mr. Harmon mentioned that the ROPS reimbursements from the state have matched the agencies cash requirements and does not see and cash flow issues in the foreseeable future.

Mr. Harmon explained that the situation would have been the same even if Redevelopment Agencies were still active. The Redevelopment Agency's tax increment would still be sufficient to make its debt payments.

Chair Sensibaugh asked if the Oversight Board ever needed to have the City of Tracy contribute funding to cover costs.

Mr. Harmon responded that to his knowledge, the City has never contributed funding to cover costs for the Oversight Board.

Chair Sensibaugh stated he is concerned that it is happening now and that people are not taking notice.

Mr. Harmon mentioned the State of California is asking former Redevelopment Agencies to prepare long-term cash flow documentation.

Board Member Thomas asked what the value of Line H represented. He also inquired about how it plays into the formula, what is its impact to the formula, and does it limit what the State can claim.

Chair Sensibaugh stated this is the amount of ROPS approved 12 months ago.

Board Member Borwick stated that Line I is higher due to having a previous balance.

Mr. Harmon stated that Line I is the amount previously approved by the State. The Oversight Board approved \$1.6 million in payments; however the state's approval took \$500K in cash held by the Successor Agency into consideration.

5. ADOPTION OF A RESOLUTION APPROVING THE DUE DILIGENCE REVIEW REPORT ON NON-HOUSING FUND ASSETS HELD BY THE SUCCESSOR AGENCY

Mr. Harmon provided the staff report. The State requires Successor Agencies to obtain the services of a licenses accountant to conduct a Due Diligence Review (DDR) of the Non-Housing Assets and Accounts held by the Successor Agency as of June 30, 2013. The purpose is to determine the available cash that can be transferred to other taxing agencies. The City of Tracy Finance Department retained the services of Moss, Levy & Hartzheim, LLP, CPA's to conduct the DDR. Complications with prior asset transfers and other fiscal deadline prevented the report from meeting the original December 15, 2012 deadline. The report was completed on submitted to the State on January 29, 2013. There is no penalty for this late submission.

Chair Sensibaugh mentioned he understands the reports better after the staff report.

6. Items from the Audience - None

7. Board Member Items

Chair Sensibaugh asked Mr. Harmon what he foresees for this Board in the future.

Mr. Harmon responded that the Board is doing well with the winding down of the agency's activities. He mentioned the Board will need to act on asset transfers and final resolutions on the parking lots, in addition to any items that come from the State. Mr. Harmon mentioned the State has asked some Boards for asset management plans. Mr. Harmon stated that this Oversight Board does not have any buildings that can be liquidated, so that may not be applicable. Mr. Harmon stated that once the remaining assets are cleared, approving the ROPS every six months will be a routine item for the Board. He also mentioned that the State may ask for long-term cash flow of what is available and what is needed.

Mr. Harmon stated that after the final ROPS is accepted in April, the Department of Finance should quickly issue a final determination. After all assets are transferred, the agency can be dissolved. However, the Oversight Board will continue to exist for a minimum amount of time as long as there are assets and debt to manage.

Chair Sensibaugh asked if Mr. Harmon anticipated the Board meeting in March. He asked if the meeting should be cancelled now.

Dan Sodergren, City Attorney, mentioned that the Board could cancel the meeting easily without a motion.

5. Adjournment – It was moved by Vice-Chair Maciel and seconded by Board Member Miller to adjourn. Voice vote found all in favor; passed and so ordered.

Time: 4:03 p.m.


Chair


Successor Agency Secretary