# PINOLE OVERSIGHT BOARD

# (OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PINOLE REDEVELOPMENT AGENCY) MINUTES SEPTEMBER 3, 2014

## 1. CALL TO ORDER & PLEDGE OF ALLEGIANCE

The Special meeting of the Oversight Board of the Successor Agency to the Pinole Redevelopment Agency ("Oversight Board") was held in the Pinole Council Chambers, 2131 Pear Street, Pinole, California. Chair Toms called the meeting to order at 4:04 PM. and led the Pledge of Allegiance.

# 2. ROLL CALL, CLERK'S REPORT & STATEMENT OF CONFLICT

# **Board Members Present:**

Whitney Dotson
Mary Drazba, Vice-Chair
John Marquez
Norma Martinez-Rubin
Peter Murray
Debbie Long arrived at 4:08 P.M.
Maureen Toms, Chair

## Staff Members Present

Richard Loomis, Finance Director Kris Kokotaylo, Legal Counsel Patricia Athenour, Board Secretary

City Clerk reported that the agenda was posted on August 28, 2014 at 4 PM. She announced that Item 5B was not contained on the posted agenda; however it was included in the packet received by the Board, the public and the website posting. She advised the Board that Item 5B could be added as urgency item with a 4/5's affirming vote of the Board.

ACTION: Motion by Board Members Dotson, Marquez, the Oversight Board Approved the Addition of Item 5B to the Agenda.

The motion passed 6-0; Board Member Long absent.

City Clerk Athenour entered the following item into the record: Item 5B – Revised Attachment C – ROPS 14-15B.

## 3. PUBLIC COMMENT

<u>Doug Wiele</u>, Foothill Partners, addressed the Oversight Board to offer follow up and comment to his letter written to Chair Toms in July.

At 4:08 p.m., the record reflected the arrival of Board Member Long.

Mr. Wiele expressed his interest in the Bowling Alley property at the behest of their Berkeley tenant, Whole Foods, who requested his firm explore the feasibility of acquiring the Gateway site. Mr. Wiele said he wished to make a competing proposal to acquire the site once the Long Range Property Management Plan (LRPMP) was approved. He asked the Chair when the LRPMP would be brought before the Oversight Board.

Legal Counsel Kokotaylo said he could not respond to the question. Finance Director Loomis said that he believed that Assistant City Manager De La Rosa would be bringing the plan to the Board at a meeting the first Wednesday in November.

Vice Chair Drazba reported that she had met with Mr. De La Rosa about the LRPMP and that he was very close to completion and thought it might be in October or November. Board Member Drazba noted that she worked with Mr. De La Rosa and he was very close to completion.

## 4. CONSENT CALENDAR MATTERS

A. Approve the Minutes of February 5, 2014

ACTION: Motion by Board Members Martinez-Rubin / Drazba, the Oversight Board approved the minutes as presented.

Vote: Passed 6-0-1.

Ayes: Dotson, Marquez, Drazba, Martinez-Rubin, Long, Murray

Noes: None Abstain: Toms Absent: None

## 5. MATTERS FOR CONSIDERATION

A. Approve the Recognized Obligation Payment Schedule (ROPS 14-15B) For January – June 2015 In the Amount of \$1,259,581 [OB Report No. 2014-02; Action: Adopt Resolution Per Staff Recommendation (Loomis)]

Richard Loomis, Finance Director presented Oversight Board Report 2014-02 into the record. He noted for the record that he added two items to the ROPS; Nos. 43 and 44, but provided a Revised Attachment C - ROPS Schedule which removed those two items and provided an explanation for the removal and said that \$126,000 less would be paid to all the taxing agencies.

In explaining Item 43, Loomis said he originally included the housing administration expenses after doing an initial read of the statute and made a determination that the Successor Agency would be eligible for a housing reimbursement. Subsequent to dissemination of the packet, he stated that Chair Toms inquired further regarding the Successor Agency eligibility for reimbursement and referred to question to Meyers Nave. Legal Counsel Stephanie Downs opined that the Successor Agency was not eligible for housing administrative cost reimbursement.

Mr. Loomis stated at the time the City elected to be the Successor Agency for the housing activity because there was a substantial asset value in real estate and notes receivable. Other agencies did not choose to become the Successor Agency for their housing programs, and the responsibility defaulted to the county or state. Thus, the administrative housing cost

reimbursement is for those agencies, that by default, had to assume the responsibility for housing activities and it is a five year window for funding.

Mr. Loomis explained that Item 44 related to the bond indentures; reserve accounts held by US Bank. The securities are held are fixed income securities that have valuations that fluctuate and as a result the value of the accounts increase and decrease periodically. A market value is required every month and as interest rates change, these accounts can be surplus or deficient to the reserve requirement. When the staff report was prepared, the account was deficient by \$51,000 and the DOF said it could be added to the ROPS. Since then the interest rate has dropped and the securities have risen in value, eliminating the deficient condition. Therefore, Item 44 is being removed.

Following his presentation, Mr. Loomis was available for questions. Board questions and comments followed.

Board member Drazba asked for clarification on the following items: Items 18, 24 and 33.

Regarding Item 18, Mr. Loomis said the lease was originally between AT&T and the City, and it was disallowed the DOF even though Redevelopment was paying the lease.

Regarding Items 24 and 33 showing an expiration of 2013, Mr. Loomis said some of the fields were locked and could not be modified, and he will insert a note in the email about the contract extensions.

Board Member Long raised a question on Item 34, asking whether the unfunded liabilities associated with employees who worked under Redevelopment could be included on the ROPS or whether it was too difficult to calculate.

Mr. Loomis referred to the two Redevelopment individuals and said regarding those employees pro-rated by Redevelopment, he expected guidance from the DOF, and stated that he could contact the DOF again on this particular item. .

Board Member Long also requested clarification on Item 37, and asked why staff was not recommending the \$4.2 million loans be authorized in 2014-15, and when would the payback take place.

Mr. Loomis responded that per direction by Legal Counsel Downs, we are not precluded from adding for funding at a future time. The amount that is eligible for funding can be no greater than 50% of the residual amount that can be returned to the taking agencies. We would be limited to the housing SERAF at \$1.4 million. After discussions with the City Manager, it was her suggestion to defter the SERAF at this time so the taxing agencies could take advantage of the highest amount of residual income.

Board Member Long asked what was an appropriate time frame to repay the housing fund and Mr. Loomis indicated it was a policy decision and would check with Meyers Nave to determine who sets the policy, whether it be the Successor Agency or the Oversight Board.

Board Member Martinez – Rubin asked the source of the SERAF funds.

Mr. Loomis explained that the Redevelopment agencies could borrow money from their housing funds when then had to pay the State. Pinole took advantage of a loan from the housing programs to the economic development programs to make the payment. The legislation provided that it would be a valid receivable to pay out of Redevelopment funding respectively.

Chair Toms commented about the housing administrative costs and was also unfamiliar with the regulations and asked first Mr. Loomis to add the whole fiscal year in this period and then found that neither of the agencies was eligible for those funds.

ACTION: Motion By Board Members Murray / Dotson, The Oversight Board Adopted Resolution 2014 - 03, Approving The Revised ROPS Schedule For January - June 2015, (Excluding the Housing Program Administrative Costs And The Indentured Debt Service Reserves Contained on the Original ROPS Schedule); And Further Allow Staff To Make Editorial Changes As Necessary.

**VOTE: Passed Unanimously 7-0.** 

B. Authorize The Executive Director To Enter Into A Short-Term Lease Agreement With Dino Forristall For The Purpose Of Operating A Christmas Tree Lot – 1300 Pinole Valley Road [OB Report No. 2014-03; Action: Adopt Resolution Per Staff Recommendation (De La Rosa)]

<u>Patricia Athenour</u>, City Clerk / Secretary to the Oversight Board presented Report 2014-03 into the record, on behalf of Assistant City Manager De La Rosa. She explained the long-standing short term lease with the Redevelopment Agency, that Mr. Forristall has had on this property and the desire to continue it in 2014 with the Successor Agency. She outlined the terms of the lease, the \$1,000 lease payment which will be split among all the taxing agencies. Athenour reported that the Successor Agency approved the lease the evening before on September 2, 2014. Ms. Athenour recommended approval and was available for questions.

Board Member Drazba noted that the references to the "City" in the lease agreement should be corrected to state the "Successor Agency."

ACTION: Motion by Board Member Drazba / Murray, the Oversight Board Adopted Resolution 2014-04, Approving the Lease Agreement with Dino Forristall for the Christmas Tree Lot Located at 1300 Pinole Valley Road.

Voted: Passed Unanimously, 7-0.

## 6. ADJOURNMENT

At 4:50 p.m., Chair Toms adjourned the meeting to the Special Meeting of October 1, 2014.

Submitted by:

Patricia Athenour, MMC
Pinole City Clerk / Clerk to the Oversight
Board of the Successor Agency to the
Pinole Redevelopment Agency

APPROVED BY OVERSIGHT BOARD: