

Pinole Oversight Board

2131 Pear Street
Pinole, CA 94564
Phone: (510) 724-8933
FAX: (510) 724-9826
www.ci.pinole.ca.us

August 27, 2012

Office of the Auditor-Controller
Contra Costa County
625 Court Street
Martinez, CA 94553-1282

Office of the Controller
State of California
P.O. Box 94250-5874
Sacramento, CA 94250-5874

Office of Director of Finance
State of California
Via e-mail: redevelopmentadministration@dof.ca.gov

Honorable State and County Officials:

Pursuant to the requirements of Health & Safety Code Section 34177(l)(2)(B), the Pinole Successor Agency Oversight Board reviewed and approved the **FINAL Recognized Obligation Payment Schedule ("ROPS")** for the timeframe January through June 2013, at its Meeting at 2131 Pear Street, Pinole, California on August 1, 2012.

Enclosed is a copy of the Resolution adopting the *FINAL ROPS-III (January – June 2013)*, the disbursement schedule document, and a copy of the published agenda for the Meeting.

Please direct any questions or inquiries regarding the possible Payment Obligations directly to me at (510) 724-9823 (rloomis@ci.pinole.ca.us).

Respectfully Submitted,



Richard Loomis
City Finance Director

Enclosures (3)

Cc B. Espinosa, City Manager
P. Athenour, Agency Secretary
S. Downs, Assistant City Attorney

RESOLUTION NO. 2012-05

RESOLUTION OF THE SUCCESSOR AGENCY OVERSIGHT BOARD OF THE CITY OF PINOLE REDEVELOPMENT AGENCY, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, APPROVING A FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JANUARY THROUGH JUNE OF 2013

WHEREAS, Assembly Bill x1 26 ("ABx1 26") was passed by the California State Legislature, signed by the Governor, and has been codified as part 1.8 of Division 24 of the California Health and Safety Code, commencing with Section 34161; and

WHEREAS, AB 26 requires successor agencies to continue to make all scheduled payments for enforceable obligations of their predecessor redevelopment agencies; and

WHEREAS, no later than September 1, 2012 successor agencies are required to adopt the third *Recognized Obligation Payment Schedule (ROPS)* that lists all of the former agencies outstanding payment obligations payable from January through June of 2013; and

WHEREAS, the semi-annual *ROPS* listing of obligations must include information for each obligation including:

- A. The funding source for payment of each listed enforceable obligation,
- B. The payee,
- C. A short description of the nature of the work, product, service, facility or other thing of value for which payment is to be made,
- D. The amount of payments obligated to be made, by month, for the next six month "semi-annual" accounting period; and

WHEREAS, the City Finance Director has prepared the required *ROPS*, for review by the Pinole Successor Agency Oversight Board.

NOW THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency of the former City of Pinole Redevelopment Agency does hereby resolve that a final *Recognized Obligation Payments Schedule* for the period January through June of 2013, herein enclosed as Attachment B, is hereby approved.

BE IT FURTHER RESOLVED, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions to the Approved Third ROPS as may be necessary to submit the Approved Third ROPS in any modified form required by the Department of Finance.

PASSED AND ADOPTED at a regular meeting of the Oversight Board of the Successor Agency of the City of Pinole held on the 1st day of August, 2012 by the following vote:

AYES: BOARDMEMBERS: Dotson, Long, Murray, Martinez-Rubin, Toms

NOES: BOARDMEMBERS: None

ABSENT: BOARDMEMBERS: Drazba, Marquez

ABSTAIN: BOARDMEMBERS: None



Patricia Athenour
Secretary, Successor Agency Oversight Board

ATTACHMENT A to Oversight Board Resolution 05-2012

**ENFORCEABLE OBLIGATIONS
ANNOTATED LIABILITY DESCRIPTIONS**

Item #'s

Liability Description

- 1-6 Semi-annual Tax Allocation Bond Principal and Interest payable on February 1, 2013. Outstanding principal will be fully amortized to the following schedule:
- a. 1998A-TABS through August 2017
 - b. 1998B-TABS through August 2017
 - c. 1999-TABS through August 2016
 - d. 2003A-TABS through August 2017
 - e. 2004A-TABS through August 2023
 - f. 2004B-TABS through August 2020
- 7 Trustee Fees for "Paying & Dissemination Agent" activities, are billed and paid annually in August. **No payments are required for this semi-annual funding period.**
- 8 Contingent Liability for Ground Lessor's Share of capital improvements related to the maintenance of Pinole Vista Crossings Shopping Center, pursuant to the Development and Disposition Agreement for the Shopping Center Project. Completion of the sale will discharge this potential liability. **This Obligation has been cancelled following the close of escrow to dispose of the Shopping Center on 06/06/12.**
- 9 This "Agreement for Facility Construction, Maintenance and Joint Recreational Use" provides for the mutual and reasonable use of the soon to be constructed all weather Pinole Middle School Soccer Field. The term of this Agreement (including extensions) runs through June 1, 2025.
- 10 This contract provides for engineering design of the bridge infrastructure located at Railroad Avenue (Pinole, CA) as a local matching expenditure for Phase-2 of the Pinole Creek Restoration Project (funded by a State of California Department of Resources grant).
- 11 These mortgage payments are for land located at 2810 Pinole Valley Road (former Beacon's Gas Station) now incorporated into the Pinole Valley Shopping Center, paying interest on the unpaid

principal and amortizing the outstanding principal through February 2014.

- 12 These mortgage payments are for land located at 613-635 Tennent Avenue now incorporated into the Pinole Youth Center Building, paying interest on the unpaid principal and amortizing the outstanding principal through November 2017.
- 13 These mortgage payments are for land and buildings located at 612 Tennent Avenue, paying interest on the unpaid principal and amortizing the outstanding principal through November 2017.
- 14 These mortgage payments are for land and buildings located at 648 Tennent Avenue, paying interest on the unpaid principal and amortizing the outstanding principal through November 2017.
- 15-16 ***No further payment activity is required as these obligations were retired effective April 1, 2012. These obligations have been fully discharged.***
- 17 This master lease secures commercial building space rental at 2300 San Pablo Avenue (Tina's Place) through October 31, 2015. Two additional 5-year extensions are available.
- 18 This agreement allows for a month-to-month land lease (6,688 square feet) of property on Tennent Avenue (adjacent to Adrienne's Dance Studio at 660 Tennent Avenue) which is used as a public parking lot. ***No payments are required for this semi-annual funding period.***
- 19 This agreement provides for Tennent Improvements for leased commercial space (2300 San Pablo Avenue) at the corner of San Pablo Avenue and Tennent Avenue, and is related to the property lease described in item #17.
- 20 This agreement provides for loan servicing for both commercial real estate and business assistance promissory notes related to property rehabilitation and business retention remitted on a monthly basis. At the present time, there are twenty-three (23) open accounts having an outstanding principal balance due of \$1,515,408.
- 21 The tax exempt status of the Tax Allocation Bonds requires routine reporting of interest earnings on the reserve account investments to the federal Internal Revenue Service. The minimum charge for

each one of the six (6) individual bond indentures is \$2,000/year, and the individual reports (and if necessary Tax Filings) are scheduled for preparation approximately every other month throughout the fiscal year.

22 This agreement for accounting and auditing support services of the public agency financial interests in both the Pinole Valley and Pinole Vista Crossings Shopping Centers has been temporarily suspended pending anticipated sale of the retail developments this Spring. **No further expenditure of funds will be needed following transfer of ownership of the Centers. This obligation has been discharged.**

23-24 This agreement for consulting services relates to the business management oversight of the public interests in both of the Shopping Center Projects (as described in items # 8, 11, and 22) under contract for sale this Spring. **No further expenditure of funds will be needed following transfer of ownership of the Centers. This obligation has been discharged.**

25 This agreement is for compliance monitoring of the former Redevelopment Agency's affordable housing rental restrictions for three years (2010, 2011 and 2012). **No payments are required for this semi-annual funding period.**

26 Specific provisions of the six (6) Indentures for the outstanding Tax Allocation Bonds require continuing disclosure of financial information (property taxation assessment values, tax collection amounts and analysis of the potential tax loss exposures from Assessment Appeals by property owners) related to the pledged revenue tax base annually, as long as there are unpaid bonds outstanding. This tax consultant prepares a comprehensive report annually, with one subsequent assessment modification Addendum and two Assessment Appeals Status Report updates.

27 Henceforth Auditing Services for redevelopment dissolution activities will be coordinated and paid by the Contra Costa County Auditor-Controller; however, certifications of financial Continuing Disclosure Information (required by Bond Indentures) will be completed annual (each December) by the City's External Auditor, as was the former Redevelopment Agency's "past practice." **No payments are required for this semi-annual funding period.**

28 **No further payment activity is required as this obligation was discharged with Pinole Chamber of Commerce's annual "West**

County Business Expo," for the current (2012) year. This obligation has been discharged.

29 This Brokerage Services Agreement provides for payment of a commercial real estate sales commission contingent upon completion of the sale of the Phase-2 land parcels within the Pinole Shores Business Park Development Project. This is a time certain agreement which will expire on September 30, 2012. **This obligation has expired and has been cancelled without payment.**

30 Community Access Video Broadcast Services support charges have been included in the Annual Administrative Cost Budget at the standard billing rate of \$500/meeting for Public Agency meetings.

31 Payroll cost allocations for City Staff assigned to complete the close-out/dissolution activities of the Oversight Board, are as follows:

1. Belinda Espinosa (Meeting Preparation and General Administration)
2. Michelle Fitzer (Real Property and Infrastructure Asset disposal)
3. Richard Loomis (Financial Reporting and Disbursement of Funds for settlement/liquidation of Enforceable Obligations)
4. Patti Athenour (Meeting Agenda Preparation, Recordation of Oversight Committee actions, Document Retention)

Annual Administrative Budgets will be submitted for review and approval at the May meetings of the Oversight Board, in advance of each new fiscal year.

32 This reciprocal easement agreement provides for the payment of land rent (annually) for a Refuse Collection Enclosure adjacent to a business located at 2340 San Pablo Avenue (The Bear Claw Bakery), and terminates upon closure or ownership transfer of this business entity. **No payments are required for this semi-annual funding period.**

33 Legal/Attorney Support Services will be provided to guide and assist the Oversight Board in completing its dissolution duties. Support activities related to the general administrative functions of the Oversight Board, will be included in the Administrative Cost Budget; however, legal support duties related to the disposal of specific assets will be recouped through escrow settlements and taken from the sale proceeds of real and tangible personal property.

- 34 The cost of Benefit Claims charged to the City for the former employees of the Redevelopment Agency are authorized pursuant to State Labor Codes and Regulations. At this time, there is one former employee eligible to receive payments for unemployment insurance benefits.
- 35 ***No further payment activity is required as this obligation was discharged in the last semi-annual accounting period.***
- 36 This contract provides for monitoring of geomorphic adjustments and survival of restoration plantings within the boundaries of the Demonstration Project for a period of five (5) following the completion of the First Phase (flood control and park landscaping) of the Pinole Creek Restoration Project (funded by a State of California Department of Resources grant). ***This Enforceable Obligation has been denied by the Department of Finance, but is under further review.***
- 37 Internal borrowing by the Successor Agency from the City's General Fund, was authorized by the City Council (07/17/12), to satisfy the "True-up Demand" for the first six-month ROPS funding interval (January – June 2012). Health & Safety Code 34173(h), provides for creation of a new "enforceable obligation" to repay this type of "cash flow" (temporary borrowing). The borrowed funds were redistributed to Affected Taxing Entities (ATE's) as residual redevelopment property tax revenues for this time interval.

**PINOLE OVERSIGHT BOARD
SPECIAL MEETING AGENDA
(OVERSIGHT BOARD FOR THE
SUCCESSOR AGENCY OF THE PINOLE
REDEVELOPMENT AGENCY)**

**WEDNESDAY, AUGUST 1, 2012
4:00 – 6:00 P.M.**

**2131 Pear Street,
Pinole City Council Chambers
Pinole, California**

Whitney Dotson - EBRPD
Mary Drazba - City of Pinole
John Marquez - Contra Costa Community College
Norma Martinez-Rubin – Office of the County Superintendent of Schools
Peter Murray - City of Pinole
Debbie Long, Chair - Contra Costa County
Maureen Toms, Vice Chair - Contra Costa County

Public Comment: The public is encouraged to address the Oversight Board on any matter listed on the agenda or on any other matter within its jurisdiction subject to the rules of decorum to be described and acted on by the Board. If you wish to address the Oversight Board, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk/Secretary. The Board will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. The Board will hear public comment on matters not listed on the agenda during Public Comment, Agenda Items 3.

Americans With Disabilities Act: In compliance with the Americans With Disabilities Act of 1990, if you need special assistance to participate in meeting, or you need a copy of the agenda, or the agenda packet in an appropriate alternative format, please contact the City Clerk's Office at (510) 724-8928. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service. Assisted listening devices are available at this meeting. Ask the City Clerk if you desire to use this device.

Note: Staff reports are available for inspection at the Office of the City Clerk, City Hall, 2131 Pear Street during regular business hours, 8:00 a.m. to 4:30 p.m. Monday –Thursday and on the City of Pinole Website at www.ci.pinole.ca.us. You may also contact the City Clerk via e-mail at pathenour@ci.pinole.ca.us

1. CALL TO ORDER & PLEDGE OF ALLEGIANCE

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

An official who has a conflict must, prior to consideration of the decision: (1) publicly identify in detail the financial interest that causes the conflict; (2) recuse himself /herself from discussing and voting on the matter; and (3) leave the room until after the decision has been made, Cal. Gov't Code § 87200.

3. PUBLIC COMMENT

Citizens may speak under any item not listed on the Agenda. The time limit is 3 minutes and is subject to modification by the Chair. Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The Oversight Board may direct staff to investigate and/or schedule certain matters for consideration at a future meeting.

4. CONSENT CALENDAR MATTERS

- A. Approval of the Minutes of May 2, 2012

5. MATTERS FOR CONSIDERATION

- A. Approve the January 1 – June 30, 2013 Recognized Obligation Payment Schedule "ROPS" [OS Board Report No. 2012-06; Recommended Action: Adopt Per Staff Recommendation (Loomis)]
- B. Approve the Renewal of the Former Agency Contract with AmeriNational Services for Loan Processing Services [OS Board Report No. 2012-07; Recommended Action: Receive & File Report (Loomis/Lucken)]
- C. Briefing on AB 1484 – Trailer Bill [Verbal Report; Recommended Action: Receive Report (Espinosa/Downs)]

6. ADJOURNMENT

POSTED: July 26, 2012 at 4:00 P.M.

**Patricia Athenour, MMC
Pinole City Clerk / Clerk to the Board**

Documents regarding any item on this agenda, provided to a majority of the Oversight Board after distribution of the packet will be made available for public inspection at the Administration Counter at City Hall & during the meeting, in a binder located outside the Council Chambers, 2131 Pear Street, available during normal business hours. (Pursuant to SB 343-effective July 1, 2008)

Oversight Board
(to the Successor Agency of the Pinole Redevelopment Agency)
Minutes
May 2, 2012

1. Call to Order

Chair Long called the meeting of the Oversight Board of the Successor Agency of the Pinole ("Oversight Board") to order at 4:10 p.m. in the Pinole City Council Chambers, 2131 Pear Street, Pinole CA. Board Member Dotson led the Pledge of Allegiance.

2. Roll Call

Members Present:

Debbie Long, Chair

Mary Drazba

Norma Martinez Rubin

Maureen Toms, Vice-Chair

Whitney Dotson

Members Absent:

Peter Murray

John Marquez

The voting record reflects their absence.

Staff present included: City Manager Belinda Espinosa, Assistant City Manager Michelle Fitzer, Assistant City Attorney Stephanie Downs, Finance Director Richard Loomis, and City Clerk Patricia Athenour

City Clerk Athenour announced that the meeting was posted on March 29, 2012 at 4 PM and all legally required notice was provided. Board member Drazba announced a conflict with obligations # 34 and 35 on the ROPS list (Item 5A), where she was named as a recipient.

3. Public Comment

No speakers addressed the Oversight Board.

4. Consent Calendar – Minutes of April 4, 2012

Board Member Martinez Rubin noted that the agenda should reference her as an appointee of the "Office of County Superintendent of Schools."

ACTION: Motion by Board Members Toms / Dotson, the Oversight Board unanimously approved the Minutes of April 4, 2012.

5. Matters for Consideration

Item 5A – Recognized Obligation Payment Schedule /July – December 2012

Finance Director Richard Loomis presented the staff report into the record and distributed a handout to the Board, explaining that the obligations will retain the same numbering on future reports to show the balance remaining, until fully paid. Caporicci and Larsen have been retained as the auditor firm. A preliminary conference has been scheduled on May 8, 2012 with Carmen Wilson, the assigned auditor. The next regularly scheduled meeting would be in October and a report would be available for review.

Loomis announced that Item 34 required separate motion without Board Member Drazba. HE said these were the same contracts that were included in the January-June 2012 ROPS. Noting that he had received a list of questions from one of the board members, he and Assistant City Attorney Downs were prepared to respond verbally to the questions.

Assistant City Attorney Downs addressed the questions raised prior to the meeting by Board Member Drazba on pending litigation. She said that Items 1-4 were related to AB 1585 and were not in place in ABx26 and she would defer comment until the bill passes. Items 17-20 pertained to certain sources of income and the question was whether it could be used to offset the amount against the ROPS and Ms. Downs said no; each year the controller will do a true up.

Mr. Loomis responded to the following items listed in the questions from Ms. Drazba:

- # 9 (Soccer field) – the contract contemplates payment made in arrears after finalization of the improvement.

Board Member Drazba questioned presenting this contract to the controller since it is not an Agency contract. Mr. Loomis responded that both have been approved by the Department of Finance. He said there is a dispute regarding the Restoration Design contract and it is the same situation where the contract is between city and vendor, but there are documents to demonstrate it was a clerical error, utilizing the wrong contract template.

Board Member Drazba said that the Wildan contract was also written as a City contract with an Agency resolution, and questioned whether it would hold up.

- # 10 - Wildan

There were three payments totaling \$2,204 in January through March period and no current outstanding invoices. Mr. Loomis said the work would be completed by October 2012.

- Collins House

Ms. Downs addressed the relationship of the debts from the housing program from future pledged property tax increment and State has said to keep putting on the ROPS.

- # 18 Land Lease Pacific Bell

Loomis said it was an annual payment and last paid on December 31, 2011.

Board Member Drazba asked a procedural question regarding what would happen to the money for bills that are not paid. Loomis said it was a topic for a future discussion.

- #19 Dale Moore Construction

There is no time limit in the contract document.

- #22 Thomas York

This is the auditing service contract for financial review for the two shopping centers. Escrow for Pinole Valley will close tomorrow and Pinole Vista on June 5th. It is on as a contingency item; if the sales are not completed it would not continue to carry as a funded obligation

- #25 & #26 Carryovers

Payment should only occur in the month of November.

- #32 Huen

This is the second time on the list because unsure whether payment of \$1,800 had been made on February 22. It will not need to be on the list for August

- #36 Restoration Design Group

Mr. Loomis discussed the deficiency in the current funding and provided an analysis attached to the notification letter that demonstrated the amount of money to be released to Successor Agency was \$1.5 million less than the enforceable obligations the Board was reviewing. He said it was not unique and would be a recurring theme and different agencies would have a different approach in dealing with this problem. The cash flow deficiency will manifest in Pinole in this funding cycle. After the truing up process, there should be sufficient tax money to fund the ROPS going forward. He said there was a residual in housing set-aside and \$800,000 in project accounts and suggested the residual carryover be used to provide the cash flow necessary to meet the payment obligations. The funding shortfall is responsibility of Successor Agency (City), and that is why the Board is not proposing any corrective action.

Board Member Toms referred to Ch 3, Section 34-177 (j) (l) 1 and identifies funding sources on the ROPS, stating there is an order established to pay bills and it does not appear that the sources of funds identifies the difference from reserves or trust fund.

Mr. Loomis responded that he has been struggling with the code section that states it is a responsibility of successor agency to turn over any residual funds to the County auditor. The code references encumbered funds and he said it was

unclear what encumbered funds are. Discussion ensued between Mr. Loomis and Board Member Toms, about the best attempt to try to deal with a “fuzzy” issue

Board Member Martinez-Rubin requested clarity on the order of payment by type.

Mr. Loomis responded that the intent of the law, if there is a funding shortfall and no other funds than the pledged tax revenues, the order would be as follows:

1. Reimbursable costs by county auditor and state controller
2. Unsubordinated pass through agreements
3. Bond debt
4. Subordinated pass through agreements
5. All other contractual agreements
6. Administrative cost reimbursements to the Successor Agency

Board Member Martinez-Rubin asked about the basis for denial and the time period to pay. She stressed to make sure this type of clerical error does not happen again.

Mr. Loomis confirmed it was five years and explained the Pinole Creek Demonstration Project funding and that Phase 2nd that has not been funded yet. He discussed the Wildan contract for the bridge removal and the purpose of Restoration Design Group was for geometrics monitoring to review how the project impacted the hydrology and aquatic life of the creek. The problem occurred when there was a transfer of responsibility from the Agency to Public Works and the contract was executed as a City contract instead of an Agency contract. He believed there was a defensible legal position for funding because preparation of other documents by the Agency clearly show it was the intent of the Agency to fund this work.

Chair Long asked if the Agency was overleveraged, what position does that put them in or are they in better position to collect more of the money?

Mr. Loomis responded that overleveraging can never result in a good outcome. Each bond issue for each Agency stands on its own. He provided further clarification; stating that there was no indication of which would get paid first; pass thru or bond holders. For Pinole, the pledged revenue was \$8.25 Million and pass-through was only \$350,000. Hercules’ position is totally different.

Chair Long raised the following questions:

1. Can a Successor Agency declare bankruptcy separate from the City?

Mr. Loomis said a Successor Agency is a trust account and has pledged revenue; it is not clear under what mechanism that revenue can be securitized for debt refunding. He said it would not apply in Pinole.

Ms. Downs responded that the purpose of bankruptcy was to restructure debts and to the extent the Agency did not have sufficient revenues, they would try to work with creditors rather than declare bankruptcy.

2. Requested clarification on the education and special district pass through payments (\$67,268) and asked Loomis to provide the specific information offline.

Mr. Loomis responded that approximately \$27,000 is Pinole's and the balance is the special districts. Debbie asked Loomis to provide the specific information off line.

Board Member Drazba asked if there was excess funds in reserves from the \$1.6 Million and whether he thought the County would challenge holding that cash. Mr. Loomis said there was and referred to it as "residual cash" and said there would be a true up.

Maria Alegria, Pinole citizen, addressed the Oversight Board and asked if a column could be added to the ROPS spreadsheet to include amounts that have been paid. She also asked the amount of the severance package for the Redevelopment Agency employee, requested a copy of the agreement, and also asked if Item 34 was an employment claim.

Mr. Loomis said there would be a "true up" at conclusion of each six-month period and the format has not been distributed by the County or the State yet. In October, the spreadsheet would include payments authorized during the period Jan-June 2012. He said he would email a copy of the severance agreement requested. The claim she referenced was the amount of unemployment insurance claims that may be filed by former employees of the Redevelopment. He said he would provide the figure to Ms. Alegria, as well as the agreement.

Ms. Alegria also asked the status of the City's collateralized investment agreement and asked if it was a recognized obligation and questioned why it wasn't on the ROPS.

Chair Long said it is an obligation of the City, not the former Redevelopment Agency. Mr. Loomis said it was an asset of the Successor Agency. The total amount of the receivable is in excess of \$2.5 Million and extends for thirteen years. The first payment on the collateralized agreement is due in FY 2013/14 in the amount of \$263,000.

ACTION Motion by Drazba/Toms, the Board Adopted Resolution 2012-03, approving the July – December 2012 ROPS, Items 1-36, excluding Item 32 and removing 34 and 35 for separate vote,

Vote: Passed 5-0-2; Marquez and Murray absent.

Board Member Drazba left the Chamber.

ACTION: Motion by Members Toms/ Dotson, the Board Adopted the July – December 2012 ROPS, Item 34 & 35.

Vote: Passed 4-0-3; Drazba, Marquez and Murray absent

Board Member Drazba rejoined the meeting.

Item 5B – Adoption of the FY 2012-13 Budget

Richard Loomis, Finance Director, presented the staff report into the record for a budget period spanning eleven months (Feb-Dec 2012). Loomis anticipates the next budget cycle, Jan – June 2013, to be reviewed in October and henceforth would be on a 6-month cycle thereafter. He said he had made a determination that the close out work can be completed for \$125,000 or less every six months. Loomis explained the duties of each staff member, and the monies that have been divided accordingly and staff is keeping an accounting for their time. After six months, he would have a better feel of the time invested, and the allocations may change. Funds are also needed for attorney support required to oversee recordkeeping and FPCC filings, money set aside for video recording at \$500 per meeting, and office supplies and the web updates. Loomis explained that absent guidance provided by a superior governmental agency, he developed the budget format working with the Finance Director from San Pablo.

Questions and discussion followed. Board Member Martinez-Rubin asked for clarification on portions of Attachment C.

Board Member Toms noted a correction, stating that the statutory maximum allowed in FY 2011-12 should be 5 instead of 7. Mr. Loomis confirmed her statement. She further stated that she understood for FY 2012/13 all cities would receive the minimum \$250,000 for the whole fiscal year and if any additional was owed, it would be provided in December. She further noted that some tasks Mr. Loomis has noted are over and above the standard requirements, and some jurisdictions are putting those outside of this calculation.

Mr. Loomis said that is the reason for the timekeeping. He said the preparation of the HCD report is much less challenging in Pinole than a large city and thought it could fit into the minimum allowance, but cannot say with any certainty until we have more experiences.

Board Member Martinez-Rubin asked if there was any definition of administrative costs, and wanted to make sure the most current list was being used, as she had learned in a seminar that there were two lists. Board Member Toms responded. Loomis discussed other cities with projects to administer, which fall outside of the cost allowance.

Maria Alegria, Pinole citizen, stated the following observations and concerns to insure that the budget is not being used to backfill the redevelopment expenses, and her opinion that it was excessive to pay both the City Manager and Assistant City Manager for oversight. Alegria asked if benefits were tracked separately, so they are not coming out of the General Fund.

ACTION: Motion by Board Members Martinez-Rubin / Drazba, the Oversight Board adopted Resolution 2012-04, approving the Initial Administrative Budget for 11 Months Beginning February 2012 and ending December 2012.

Vote: Passed 5-0-2; Absent Murray & Marquez

Item 5C – Discussion Regarding State Controller Communications

Assistant City Attorney Downs updated the Board on the letter received from the State Controller John Chiang demanding that any assets be transferred back to the Successor Agency of the relevant Redevelopment Agency. Pinole received the letter via Contra Costa County Auditor Controller Robert Campbell. She said her office would review the letter and make a recommendation. The City validated the actions when they transferred the properties and Ms. Downs said they intend to stand on the validation action.

Board Member Drazba asked whether there would be a determination and Ms. Downs said that they were still reviewing all aspects of the law. Board Member Drazba confirmed if they found the action invalid, it would be the city's decision to fight that action and the cost would be borne by City not the Oversight Board. Ms. Downs confirmed that was a correct statement.

Board Member Toms reported that the Board of Supervisors, when taking action on County ROPS, provided additional direction to authorize the auditor to convene a meeting of all County successor agencies to determine if there was interest to meet and review issues. She surveyed this board to determine the level of interest.

Chair Long said the Board may want to call a special meeting and reconvene.

Board Member Drazba requested that a legislative update section be added to the Agenda.

Chair Long said she would look to the City Manager and the Finance Director to determine if there was a need to call a June meeting.

ADJOURNMENT

At 5:45 p.m., Chair Long adjourned the meeting to the next meeting of October 3, 2012.

Submitted by:

Patricia Athenour, MMC
Pinole City Clerk

APPROVED BY OVERSIGHT BOARD:

Successor Agency Contact Information

Name of Successor Agency:
County:

CITY OF PINOLE
CONTRA COSTA

Primary Contact Name:
Primary Contact Title:
Address
Contact Phone Number:
Contact E-Mail Address:

RICHARD LOOMIS
FINANCE DIRECTOR
2131 PEAR STREET, PINOLE, CA 94564
(510) 724-9823
rloomis@ci.pinole.ca.us

Secondary Contact Name:
Secondary Contact Title:
Secondary Contact Phone Number:
Secondary Contact E-Mail Address:

BELINDA ESPINOSA
CITY MANAGER
(510) 724-8933
bespinosa@ci.pinole.ca.us

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: CITY OF PINOLE

		Total Outstanding Debt or Obligation
Outstanding Debt or Obligation		\$ 68,525,422
Current Period Outstanding Debt or Obligation		Six-Month Total
A	Available Revenues Other Than Anticipated RPTTF Funding	28,500
B	Anticipated Enforceable Obligations Funded with RPTTF	2,906,683
C	Anticipated Administrative Allowance Funded with RPTTF	126,463
D	Total RPTTF Requested (B + C = D)	3,033,146
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>		\$ 3,061,646
E	Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller)</i>	4,145,299
F	Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ 1,112,153
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))		
G	Enter Estimated Obligations Funded by RPTTF <i>(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	3,562,120
H	Enter Actual Obligations Paid with RPTTF	1,579,998
I	Enter Actual Administrative Expenses Paid with RPTTF	166,496
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	1,815,626
K	Adjusted RPTTF <i>(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)</i>	\$ 1,217,620

Certification of Oversight Board Chairman:
 Pursuant to Section 34177(m) of the Health and Safety code,
 I hereby certify that the above is a true and accurate Recognized
 Obligation Payment Schedule for the above named agency.

Debbie Long Oversight Board Chairperson
 Name Title
Not Required OB Resolution Attached 8/1/2012
 Signature Date

Note "E" Amount reported is 50% of the Auditor-Controller's Estimated Tax Revenues for the FY 2012-13 Tax Levy

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPT/FE	Other	Six-Month Total
1	Grand Total						\$ 69,528,422	\$ 7,388,909	\$	\$	\$	\$ 125,483	\$ 2,805,683	\$ 28,600	\$ 3,081,066
1	Non-housing 1986-A Tax Allocation Bonds	5/1/1986	8/1/2017	US Bank, National Trust	Indenture Debt Service Payments for Principle & Interest	Pinole Vista	5,420,435	905,310					124,213		124,213
2	Non-housing 1986-B Tax Allocation Bonds	5/1/1986	8/1/2017	US Bank, National Trust	Indenture Debt Service Payments for Principle & Interest	Pinole Vista	4,016,084	671,522					117,695		117,695
3	Housing 1989 Tax Allocation Bonds	8/1/1989	8/1/2016	US Bank, National Trust	Indenture Debt Service Payments for Principle & Interest	Pinole Vista	4,546,055	695,568					112,595		112,595
4	Non-housing 2003-A Tax Allocation Bonds	7/1/2003	8/1/2017	US Bank, National Trust	Indenture Debt Service Payments for Principle & Interest	Pinole Vista	5,014,738	836,575					98,538		98,538
5	Non-housing 2003-A Tax Allocation Bonds	9/1/2004	8/1/2023	US Bank, National Trust	Indenture Debt Service Payments for Principle & Interest	Pinole Vista	30,124,572	1,010,068					488,021		488,021
6	Housing 2004-B Tax Allocation Bonds	9/1/2004	8/1/2020	US Bank, National Trust	Trustee, Paying Agent & Disbursement Agent Fees for Bond Indentures	Pinole Vista	9,711,865	788,423					201,419		201,419
7	Bond Indenture Agreements	9/1/2004	8/1/2023	US Bank, National Trust	Indentures	Pinole Vista	154,000	21,000							
8	Pinole Vista Shopping Center - Deposition & Development Agreement	3/1/1995	12/31/2065	TKG Pinole Vista, LLC	Capital Call for facility renovation for Shopping Center Project	Pinole Vista	0	0							
9	WCCUSD Cooperative Use Reimbursement Agreement	5/17/2005	6/1/2025	West Contra Costa Unified School District	Construction Cost Sharing for Recreational Facility (Soccer Field) located at School	Pinole Vista	500,000	500,000					500,000		500,000
10	Pinole Creek Restoration Project Engineering Design Contract	1/1/2010	1/1/2012	Willdan Engineering	Engineering Design for Phase-2 of Public Infrastructure Project (Bridge Removal @ Railroad Avenue	Pinole Vista	27,800	27,800					17,800		17,800
11	619-435 Tennent Avenue Mortgage Note	3/16/2004	4/16/2014	Ramon Dimalanta	Real Estate Property Mortgage secured by land incorporated in the Pinole Valley Shopping Center Project	Pinole Vista	239,908	66,000					33,000		33,000
12	612 Tennent Avenue Mortgage Note	9/27/2002	9/27/2017	John & Nancy Donkonic	Real Estate Property Mortgage secured by land incorporated into Public Infrastructure Project (Youth Center)	Pinole Vista	378,218	67,947					34,243		34,243
13	648 Tennent Avenue Mortgage Note	1/16/2007	12/1/2017	John Collins, Trustee of the Collins Survivor's Trust	Real Estate Property Mortgage secured by land held for development of an Affordable Housing Project	Pinole Vista	319,105	72,290					36,125		36,125
14	870 San Pablo Avenue Mortgage Note	1/16/2007	12/1/2017	John Collins, Trustee of the Collins Survivor's Trust	Real Estate Property Mortgage secured by land used for Public Infrastructure (Public Parking Lot)	Pinole Vista	81,685	23,908					11,954		11,954
15	2300 San Pablo Avenue Property Lease	4/1/2004	3/1/2012	Manoel Castancho	Real Estate Property Mortgage secured by land used for the Pinole Shores Business Park Project	Pinole Vista	0	0							
16	870 San Pablo Avenue Mortgage Note	4/1/2004	3/1/2012	Angela Raifa	Real Estate Property Mortgage secured by land used for the Pinole Shores Business Park Project	Pinole Vista	0	0							
17	2300 San Pablo Avenue Property Lease	1/1/2005	10/31/2015	Main Street Management	Commercial Building Space Lease for Downtown Restaurant Project (The's Place)	Pinole Vista	521,734	43,478					12,239	13,500	25,739
18	659 San Pablo Avenue Land Lease	6/18/1982	As needed (30-day cancellation)	AT&T/SBC Communications	Public Parking Lot Land Lease	Pinole Vista	19,200	1,600							
19	2900 San Pablo Avenue Tenant Improvement Agreement	7/22/2010	10/31/2025	Dale Moore Construction	Tenant improvement construction contract for Business Attraction Program	Pinole Vista	5,500	5,500					5,500		5,500
20	Housing & Non-housing Professional Services Agreement	4/3/2007	6/30/2016	Amertation-Community Services	Monthly loan processing service for outstanding reworkment loans to both individuals and business	Pinole Vista	45,720	3,510					1,663		1,663
21	Bond Indenture Professional Service Agreement	9/1/2004	8/1/2023	BLX Group, LLC Inc	Income Tax Abritrage Analysis and IRS Tax Filing for Indenture Reserve Investment Accounts	Pinole Vista	86,000	12,000					6,000		6,000
22	Pinole Vista & Valley Shopping Centers Professional Services Agreement	7/6/2010	3/31/2011	Thomas York Services, LLP	Accounting/Auditing Support Services for Shopping Center Projects having ground lease interests	Pinole Vista	0	0							
23	Pinole Vista & Valley Shopping Centers Consulting Services Agreement	9/7/2010	9/6/2011	Shelter Bay Retail Group	Consulting Services for Financial Management for Shopping Center Development Project	Pinole Vista	0	0							
24	Pinole Vista Restaurant Phase Consulting Services Agreement	12/19/2008	12/19/2013	Shelter Bay Retail Group	Consulting Services for Financial Management for Restaurant Development Project	Pinole Vista	350,000	30,000						15,000	15,000
25	Affordable Housing Compliance Monitoring	6/30/2010	12/31/2012	Urban Futures, Inc.	Affordable Housing compliance monitoring services	Pinole Vista	322,560	26,880					4,250		4,250
26	Financial Reporting Services Bond Indentures	9/27/1989	8/1/2023	Hdl, Corven & Cone	Property tax consulting/advisory services related to pledged revenue property assessments	Pinole Vista	102,000	6,500							
27	Financial Reporting Services Bond Indentures	5/27/2005	As needed (provisions for annual renewal)	Mann, Umrlia, Nelson CPAs	Auditing services for Discontinuing Financial Disclosure required by Bond Indentures	Pinole Vista	51,000	12,500							
28	Pinole Chamber of Commerce Business Expos 2011 & 2012	3/6/2011	3/6/2013	Pinole Chamber of Commerce	Coordinating services for annual "West County Business Exposition"	Pinole Vista	0	0							
29	Pinole Shores Business Park Phase-2 Sales Commission Agreement	12/9/2008	9/30/2012	Cushman & Wakefield of California, Inc.	Sales Commission on sale of land parcel for Phase-2 development of the Pinole Shores Business Park	Pinole Vista	0	0							
30	Successor Agency Administrative Cost Allowance	9/17/1973	8/1/2023	City of Pinole	Pinole Community Television recording and broadcasting	Pinole Vista	12,000	3,000				1,500			1,500
31	Successor Agency Administrative Cost Allowance	9/17/1973	8/1/2023	City of Pinole	Payroll Allocations for Administrative Staff Support of the Pinole Successor Agency	Pinole Vista	988,000	250,000							120,463
32	Reciprocal Easement Agreement	2/21/2007	Until transfer of business enterprise ownership	Scott & Nancy Huan	Grant for reimbursement of lease for use of refuse collection container	Pinole Vista	21,600	1,800							

