



AGENDA

REGULAR MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

DECEMBER 11, 2013
4:30 P.M.

Council Chambers
11710 Telegraph Road
Santa Fe Springs, CA 90670

Gerald M. Caton, Chair
Leighton Anderson, Vice Chair
Mike Foley, Board Member
Louie Gonzalez, Board Member
Cuong Nguyen, Board Member
Harry Stone, Board Member
Noorali Delawalla, Board Member

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. 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 or a member of staff. The Oversight Board will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. The Oversight Board will hear public comment on matters not listed on the agenda during the Oral Communications period.*

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.

Americans with Disabilities Act: *In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of 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.*

Please Note: *Agendas are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday and alternate Fridays. Telephone (562) 868-0511.*

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PLEDGE OF ALLEGIANCE**

4. **CONSENT AGENDA**

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Oversight Board.

Approval of Minutes

A. Minutes of the September 11, 2013 Regular Oversight Board Meeting

Recommendation: That the Oversight Board approve the minutes as submitted.

NEW BUSINESS

5. Discussion Item: City of SFS v. State Department of Finance

Recommendation: That the Oversight Board call upon the Board's Counsel.

6. Resolution No. OB-2013-019 – Approving the Successor Agency's Administrative Budgets for the Periods July 1, 2013 through December 31, 2013, and January 1, 2014 through June 30, 2014

Recommendation: That the Oversight Board adopt Resolution No. OB-2013-019.

7. **ORAL COMMUNICATIONS**

This is the time when comments may be made by interested persons on matters not on the agenda having to do with Oversight Board business.

8. **ADJOURNMENT**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 24 hours prior to the meeting.

Anita Jimenez

Anita Jimenez, CMC
Santa Fe Springs
Oversight Board Clerk

December 5, 2013

Date

**MINUTES OF THE SPECIAL MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT
AGENCY OF THE CITY OF SANTA FE SPRINGS**

SEPTEMBER 11, 2013

1. CALL TO ORDER

The meeting was called to order at 4:32 p.m. by Chair Caton.

2. ROLL CALL

Present: Board Members Delawalla, Foley, Stone, and Nguyen, Vice Chair Anderson (4:37 p.m.), and Chair Caton, Oversight Board Counsel Peter Wallin, and Board Clerk Anita Jimenez

Absent: Board Member González

3. MOMENT OF SILENCE – The Board observed a Moment of Silence in memory of those lost and injured in the September 11, 2001 terrorist attacks.

4. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Board Member Stone.

5. CONSENT AGENDA

Approval of Minutes

A. Minutes of the August 14, 2013 Special Oversight Board Meeting

Recommendation: That the Oversight Board approve the minutes as submitted.

Board Member Foley moved the approval of Item 5A; Board Member Nguyen seconded the motion which passed unanimously.

NEW BUSINESS

6. Resolution OB-2013-018 – Approving the Successor Agency's Recognized Obligation Payment Schedule (ROPS 13-14B) for the Period January 1, - June 30, 2014

Recommendation: That the Oversight Board adopt Resolution OB-2013-018 approving the Successor Agency's Recognized Obligation Payment Schedule (ROPS 13-14B) for the period January 1, - June 30, 2014.

The City's Assistant Director of Finance, Travis Hickey, reviewed the document under discussion. Board Member Delawalla requested a more detailed explanation of Line Item 30. Mr. Hickey explained that this was the Property Disposition Agreement that relates to the agreement that the former CDC previously had with McGranahan/Carlson pertaining to the sharing of proceeds if the property was sold. The City is currently working with the State to allow the disposition of property per the agreement. Board Member Delawalla asked if the proceeds would come to the Agency. If the property is sold while the

agreement is still in effect, the net proceeds would be split between the Agency (60%) and McGranahan/Carlson (40%). If the property is sold after the agreement expires, the net proceeds would all go to the Agency.

City Attorney Skolnik explained that this item, which is surrounded by complicated circumstances making the sale very difficult, was previously approved at the Special Oversight Board meeting of August 14 at which Board Member Delawalla was not present. The City does not believe that the sale of the property is likely if this agreement is not honored. This item has been listed on previous ROPS.

Vice Chair Anderson stated that the Board received a list of questions from the County which the City did not receive. Copies were given to the City. The City has previously asked that the County copy the City on any emails to the Board. The City will again attempt to communicate the need to keep City staff informed so that this information can be provided in a timely manner.

Mr. Hickey addressed the County's question pertaining to Item #39 on the ROPS – Neighborhood Center Renovation project. These items were paid out of reserve funds on hand and therefore were not paid out of RPTTF.

Mr. Hickey addressed the County's question pertaining to the Administrative Budget for Jan. 1 to June 30, 2014. The previous submittal included the budget for the period July 1, 2013 to June 30, 2014. Staff will confirm that this is correct.

Vice Chair Anderson moved the approval of Item 6; Board Member Stone seconded the motion which passed by the following roll call vote:

Ayes: Board Members Delawalla, Foley, Nguyen, and Stone, Vice Chair Anderson, and Chair Caton

Noes: None

Absent: Board Member González

7. ORAL COMMUNICATIONS

Oral Communications were opened at 5:00 p.m. There being no one wishing to speak, Oral Communications were closed.

8. ADJOURNMENT

At 5:01 p.m., Chair Caton adjourned the meeting.

Gerald M. Caton
Oversight Board Chair

ATTEST:

Anita Jimenez, Board Clerk

Date

NEW BUSINESS

**Oversight Board
December 11, 2013**

TO: Oversight Board Members

FROM: Successor Agency to the Santa Fe Springs CDC

ORIGINATED BY: Thaddeus McCormack, City Manager

SUBJECT: Discussion Item: City of SFS v. State Department of Finance

RECOMMENDED ACTION

That the Oversight Board call upon the Board's Counsel.

BACKGROUND

On June 14, 2013, the City/Successor Agency filed a lawsuit against the State Department of Finance (DOF) and Board of Equalization over DOF's rejection of the City's position in a "meet-and-confer" regarding a loan the Santa Fe Springs Community Development Commission (CDC) repaid to the City. The Lawsuit also named the affected taxing entities (i.e., all of the districts within the former CDC that receive a share of the property tax) as real parties in interest (RPIs).

Questions have arisen from some Board Members who represent affected taxing entities as to the reasoning behind the naming of the affected taxing entities as RPIs. The Board's Counsel is prepared to answer questions in that regard.

The City/Successor Agency's Counsel has indicated that naming of the affected taxing entities is consistent with over half of the lawsuits filed against DOF regarding Redevelopment Agency dissolution claims. Furthermore, it is felt that it appropriate to do so because in a dispute over a given amount of money, the outcome of the lawsuit will financially impact the affected taxing entities. Moreover, AB 1484 specifically gives affected taxing entities standing to sue a successor agency if the successor agency does not pay money as ordered by the DOF. Based on this, it is the City/Successor Agency's position that the taxing entities need to be named to allow them the opportunity to participate in the litigation, if they so choose. And at least one trial court has agreed that taxing entities are necessary parties.

The above notwithstanding, the City/Successor Agency's Counsel has offered to the RPIs a stipulation that would provide that all the RPIs need to do is file an answer to the lawsuit so that an attorney of record is noted and so that the RPIs are bound by any order/writ that the court may issue. The stipulation would provide that the taxing entity will get served with all the filings in the case, but otherwise need not participate at all. In this way, both the requirement on the City/Successor Agency as petitioners to name all necessary parties, and the RPIs' interests in minimizing costs are addressed.


Thaddeus McCormack
City Manager

NEW BUSINESS

**Oversight Board
December 11, 2013**

TO: Oversight Board Members

FROM: Successor Agency to the Santa Fe Springs CDC

ORIGINATED BY: Thaddeus McCormack, City Manager

SUBJECT: Resolution No. OB-2013-019 – Approving the Successor Agency’s Administrative Budgets for the Periods July 1, 2013 through December 31, 2013, and January 1, 2014 through June 30, 2014

RECOMMENDED ACTION

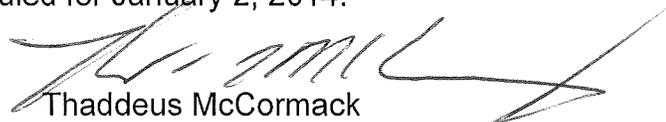
That the Oversight Board Adopt Resolution No. OB-2013-019.

BACKGROUND

Health and Safety Code Section 34177 requires the Successor Agency to prepare an Administrative Budget that covers the costs of time spent by staff to comply with the Dissolution Bills. It is important to point out that the Administrative Budgets that are presented here were also included in Recognized Obligation Payment Schedules (ROPS) 13-14A (July – December 2013) and ROPS 13-14B (January – June 2014). However, the Administrative Budget itemizes the administrative costs whereas the ROPS identifies it as a line item. As with the ROPS, the Department of Finance (DOF) requires the Successor Agency to prepare an Administrative Budget every six months. The proposed resolution sets forth the Successor Agency’s Administrative Budgets for the periods July 1, 2013 through December 31, 2013, and January 1, 2014 through June 30, 2014.

The attached proposed Administrative Budget consists of the Successor Agency’s personnel and non-personnel City support service costs anticipated for the fiscal year with each 6-month period detailed separately. The Successor Agency personnel for which salaries and benefits are listed include the City/Successor Agency Attorney, City Manager, Assistant City Manager/Director of Finance, Assistant Director of Finance and Administrative Services, Accountant, City/Successor Agency Clerk, and Property Maintenance Workers, all of whom will spend a significant amount of their time working on Successor Agency matters. Non-personnel costs include legal counsel and liability insurance for the Oversight Board, auditing, fiscal agent fees, contract accounting costs, and property management costs.

The legislation requires that the Administrative Budgets be approved by both the Successor Agency and the Oversight Board before any distributions from the County’s property tax trust fund are made to the Successor Agency. The Successor Agency approved ROPS 13-14B at its meeting on September 11, 2013. The distribution of property tax trust funds by Los Angeles County for this period is scheduled for January 2, 2014.


Thaddeus McCormack
City Manager

Attachments:

Resolution OB-2013-019

Exhibit A – Successor Agency Administrative Budgets for 7/1/2013 to 12/31/2013 and 1/1/14 to 6/30/14

RESOLUTION NO. OB-2013-019

A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE
SPRINGS

APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGETS
FOR THE SIX MONTH FISCAL PERIODS OF JULY 1, 2013 TO DECEMBER 31,
2013 AND JANUARY 1, 2014 TO JUNE 30, 2014 PURSUANT TO HEALTH AND
SAFETY CODE SECTION 34177(j)

THE OVERSIGHT BOARD OF THE (SANTA FE SPRINGS) SUCCESSOR
AGENCY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Oversight Board hereby approves the Successor Agency's Administrative Budgets, attached hereto as Exhibit "A", as described in Section 34171 of the California Health and Safety Code, for the six month periods of July 1, 2013 to December 31, 2013, and January 1, 2014 to June 30, 2014.

SECTION 2. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The Oversight Board hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 3. The Oversight Board's Clerk shall certify to the adoption of this Resolution.

SECTION 4. The Successor Agency's officials and staff are hereby authorized and directed to transmit this Resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes.

PASSED AND ADOPTED, by the Oversight Board of the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs on December 11, 2013.

Oversight Board Chair

ATTEST:

Oversight Board Clerk

EXHIBIT A

Resolution OB-2013-019

December 11, 2013

CITY OF SANTA FE SPRINGS**Successor Agency to the Santa Fe Springs Community Development Commission****Administrative Budgets****Fiscal Periods July 1, 2013 – December 31, 2013 and January 1, 2014 – June 30, 2014**

| Description | 07/01/13 – 12/31/13 | 01/01/14 – 06/30/14 |
|------------------------------------|----------------------------|----------------------------|
| Salaries | \$ 73,500 | \$107,700 |
| Benefits | \$ 71,700 | \$105,600 |
| Total Personnel Costs | \$145,200 | \$213,300 |
| | | |
| City Support Services (Overhead) | \$ 72,600 | \$106,700 |
| Property Management | \$ 44,500 | \$ - |
| Contractual/Accounting Services | \$ 18,000 | \$ 22,000 |
| Independent Audit Services | \$ 10,800 | \$ 13,200 |
| Oversight Board Legal Services | \$ 4,500 | \$ 5,500 |
| Travel/meetings/training | \$ 2,168 | \$ 2,783 |
| Oversight Board Insurance Coverage | \$ 900 | \$ 1,000 |
| Total Non-Personnel Costs | \$153,468 | \$151,183 |
| | | |
| Total Budget | \$298,668 | \$364,483 |