

**HERCULES RDA SUCCESSOR AGENCY  
OVERSIGHT BOARD AGENDA**

**Monday, April 9, 2012**

**Meeting Minutes**

**I. PUBLIC COMMUNICATION – CLOSED SESSION ITEMS**

There was no public communication.

**II. CLOSED SESSION**

There were no closed session items.

**III. ROLL CALL – CALL TO ORDER**

**Members Present:** Sheri Gamba, West Contra Costa Unified School District  
Richard Mitchell, Hercules Planning Commissioner  
Robert Reber, Hercules Staff  
Dan Romero, Hercules Mayor and Council Member  
Larry Tong, Alternate, East Bay Regional Parks District  
Tomi Van de Brooke, Contra Costa Community College District  
William Wilkins, Hercules Council Member

**Members Absent:** Ted Radke, East Bay Regional Parks District

**Staff:** Steve Duran, City Manager  
Liz Warmerdam, Deputy City Manager  
Nickie Mastay, Finance Director  
Doreen Mathews, City Clerk

**IV. PLEDGE OF ALLEGIANCE**

Board Members, staff and the audience pledged allegiance to the flag.

**V. REPORT ON ACTION TAKEN IN CLOSED SESSION**

There were no Closed Session items.

**VI. INTRODUCTIONS/PRESENTATIONS**

There were no Introductions or Presentations.

## VII. AGENDA ADDITIONS/DELETIONS

There were no Agenda Additions or Deletions.

## VIII. PUBLIC COMMUNICATIONS

There was no Public Communication.

## IX. CONSENT CALENDAR

There were no Consent Calendar items.

## X. DISCUSSION AND ADMINISTRATIVE ITEMS

1. Board Organization and Election of a Chair. The state requires that the Chair of the Oversight Board sign the Recognized Obligation Payment Schedule (ROPS) and that the ROPS be submitted to State Department of Finance, the State Controller and the County Auditor-Controller no later than April 15, 2012. (A resolution approving the ROPS is an agenda item on this agenda.) Therefore, a Chair must be appointed by the members of the Oversight Board to sign the ROPS prior to its submission this week, and staff recommends also appointing a Vice Chair. In addition, staff is recommending that the Board consider adopting Roberts Rules of Order at this time and discussing other organizational issues, including the agenda format and a schedule of meetings.

MOTION: Mitchell/Wilkins nominating Dan Romero to serve as Chair of the Successor Agency Oversight Board.

With no other nominations were offered, nominations were closed.

VOTE: The motion to appoint Board Member Romero as Chair of the Successor Agency Oversight Board was adopted by unanimous voice vote.

Chair Romero called for nominations for Board Chair. With none offered, Board Member Gamba volunteered to serve.

Alternate Board Member Tong offered a second for the nomination of Member Gamba for Vice Chair.

Board Member Van de Brooke joined the meeting at approximately 6:39 p.m.

With no other nominations offered, nominations were closed.

VOTE: The motion to appoint Board Member Gamba as Vice Chair of the Successor Agency Oversight Board was adopted by unanimous voice.

It was the consensus of the Board Members present to adopt Roberts Rules of Order to govern the proceedings of the Successor Agency Oversight Board meetings.

With respect to a meeting schedule, City Manager Duran advised that another schedule of recommended payments would be presented to the City Council on April 24, 2012 and that it would need to be filed by May 11<sup>th</sup>. He stated that the Board needed to meet between that period to approve the next schedule and suggested the Board consider May 1 or April 30.

Vice Chair Gamba supported whatever worked best for staff, stating she had no conflict on Tuesdays.

Chair Romero also supported scheduling for Tuesdays to provide for the 72 hour noticing requirement.

Board Member Mitchell stated that he may have issues with Tuesdays due to the Richmond City Council meetings.

MOTION: Gamba/ Van de Brooke to meet April 30, 2012, 6:30 p.m. The motion was adopted by unanimous voice vote.

Vice Chair Gamba requested that the duties of the Board be scheduled for discussion.

City Manager Duran stated that a discussion of duties would be scheduled for the next meeting and that he would forward the duties as outlined.

2. Next Recognized Obligation Payment Schedule (ROPS) Approval. The next ROPS, which will cover July 1, 2012 through December 31, 2012, must be approved by the oversight Board and submitted to various agencies by May 11, 2012. Therefore, staff is recommending that the Board meet during the week of April 30, 2012.

The Board, by unanimous voice vote, scheduled the meeting for April 30, 2012, 6:30 p.m. to address this item.

## **XI. REPORTS AND RESOLUTIONS**

1. Adopt a resolution approving the Recognized Obligation Payment Schedule (ROPS) for the period January 1, 2012 through June 30, 2012.

City Manager Duran reported that AB x1 26 (Section 34177) requires that Successor Agencies must prepare a draft Recognized Obligation Payment Schedules for each upcoming six-month period, explaining that a ROPS sets forth the minimum payment amounts and due dates of payments required by enforceable obligations. He explained that enforceable obligations are defined in Section 34171(d) of AB x1 26 and include the payment of bonds and loans, payments required by the federal government, judgments or settlements, any legally binding agreement or contract, and contracts or agreements necessary for the administration or operation of the successor agency.

Finance Director Mastay explained that the ROPS presented differs from that on the website, in that it was reformatted to be consistent with the format used by the Department of Finance. She stated that the numbers were transferred from the website document, with the addition of the Ambac settlement.

City Manager Duran provided an explanation of the Ambac litigation stating that the lawsuit was filed and settled in March after the ROPS was posted to the web site. He further explained that two properties are attached to the settlement agreement and that the debt is less than \$4.1 million. He noted a stipulation in the agreement that provides for court costs to be included. He stated that the attachment amount is \$6.5 million, well over the amount of debt, however it did not mean that the agency would have to pay above the \$4.1 million.

Board Member Mitchell clarified that the ROPS was the first document following the dissolution of the Redevelopment Agency and the establishment of the successor agency, noting that budget numbers would start at this point.

Board Member Van de Brooke requested an appointment with the Finance Director to address the items on the ROPS.

Board Member Alternate Tong requested that the pass thru agreements be itemized for a future meeting.

Vice Chair Gamba requested a copy of the 2011 audit, as she was concerned with the outstanding debt identified in 2010. She referenced the Legislative Analyst's report with respect to obligations entered into post notice for Redevelopment Agency dissolution. She stated that she had no problem adding to the ROP, but encouraged the Board to look at those post June 2011. She emphasized the need to be diligent in recognizing legal obligations, including those between the City and Redevelopment Agency. She acknowledged the complexity and the need to understand what will happen to the funding that is included, to describe the duties of the successor agency and to identify the assets of agency.

In response, Ms. Mastay advised that the audit is in the process of being completed however it would still be some time before it is available.

Board Member Reber requested that information on the expiration dates of the various agreements be provided in order to identify when payments are no longer necessary.

Ms. Mastay believed that it was the life of the project area, but would confirm and provide the information at the next meeting.

Chair Romero requested a discussion of obligation duties, itemized list of pass thrus, post obligations that were authorized after June 2011, termination of all legal obligations, specifically the BART Park and Ride.

Vice Chair Gamba requested that the City Manager review the underlying Redevelopment Agency subordination that the district had prior to the dissolution of the RDA and determine



whether the district would take a subordinate position due to the agreements. She understood that the bond obligation took the first position, recommending facilities be considered for the ROP and suggested adding to the \$960,000 over the next three years to the next ROP after it is determined if it is valid.

City Manager Duran suggested that three members could meet with staff to go over the details of the ROP, in addition to bringing the information back at the next meeting.

There were no public comments offered on this item.

Board Member Wilkins, in reference to the April 5, 2012 Public Economics, Inc. letter submitted on behalf of the West Contra Costa Unified School District, stated that there were a significant number of "approximates" referenced and suggested that staff contact them.

MOTION: Gamba/Wilkins to adopt the resolution as submitted. The resolution was adopted by unanimous voice vote.

## **XII. FUTURE AGENDA ITEM REFERRALS**

Vice Chair Gamba requested information be provided relative to the Ambac settlement, as it occurred after the dissolution and she would like to make sure of the Board's legal obligation as part of the ROP. She suggested it be considered as a Closed Session item.

City Manager Duran suggested it be agendized as existing litigation, with Closed Session to begin at 6:30 p.m. and the open meeting at 7:00 p.m.

In response to Chair Romero, City Manager Duran stated that he may need to confer with the City Attorney to determine if there are any issues for him to serve as legal counsel to the board.

Board Member Van de Brooke noted that all other agencies are addressing the same issue.

## **XIII. OVERSIGHT BOARD AND STAFF ANNOUNCEMENTS**

There were no Oversight Board or staff announcements.

## **XIV. ADJOURNMENT**

Chair Romero adjourned the meeting at approximately 7:04 p.m.

  
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Dan Romero, Chair

ATTEST:

  
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Doreen Mathews, Secretary