

**HERCULES RDA SUCCESSOR AGENCY
OVERSIGHT BOARD MEETING MINUTES
APRIL 30, 2012**

I. PUBLIC COMMUNICATION – CLOSED SESSION ITEMS

There was no public communication.

II. CLOSED SESSION

1. Pursuant to Government Code Section 54956.9(a) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION – Ambac Insurance Corporation vs The City of Hercules and Redevelopment Agency of the City of Hercules (Contra Costa Superior Court Case No. N12-0182)

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 (Alternate)
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
Nickie Mastay, Finance Director
Doreen Mathews, City Clerk
Patrick Tang, City Attorney

Chair Romero called the meeting to order at approximately 7:03 p.m.

IV. PLEDGE OF ALLEGIANCE

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

V. REPORT ON ACTION TAKEN IN CLOSED SESSION

No reportable action.

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. Receive Report And Conduct Discussion Regarding The Duties Of The Oversight Board.

Steve Duran, Hercules City Manager, advised that abx26 text was used relative to the Board set up and provides for the duties of the Board, which include refund of bond proceeds, property sale, which the oversight board would need to approve

Nickie Mastay, Hercules Finance Director, provided sections of the Health and Safety Code for the oversight board review, noting that it is the Boards primary responsibility is to receive and approve the Recognized Obligation Payment Schedule for redevelopment and the city acting, as successor agency.

Chair Romero requested that the Board meeting minutes be posted to the city website.

Board Member Mitchell noted that Chapter 5(d) speaks to the merging of project areas, which had occurred in the past. He inquired if there was any anticipation for the same, or if the board meets to dispose of assets or close out business of the agency.

City Manager Duran stated that the did not anticipate Hercules will do anything other than unwinding a Disposition and Development Agreement for the Market Hall, selling the site of a Redevelopment Agency owned property, Sala Restaurant financing or litigation, following through with existing agreements, such as Ambac and Oliver debts. He added that in July there would be more information on increment and finances, also draft bylaws and procedures for the Oversight Board. He emphasized that there are not a lot of discretionary actions, no bond money that needs to be spent

Board Member Mitchell requested clarification on once an asset is disposed of and is transferred to a developer/builder and the review process for the project. He questioned if it would be processed by the successor agency or through conventional city structure.

City Manager Duran stated that the project would go through the normal city process; he did not believe the Board would want to get involved in use or design.

In response to Chair Romero's inquiry, City Manager Duran explained that per Section -29-Ch.5(h) the officials designated to be contacted by the Department of Finance are Ms. Mastay, Ms. Warmerdam and himself. He added that if the Board needed to take action, could include in the July agenda to make official.

Vice Chair Gamba stated that the information is helpful for Board to understand duties in accordance with law. She suggested that it would be helpful to have a framework on how tax increments will flow in and hoped that in the next few months will hear from County Administrator and how they will administer tax increment, as there had been conflict on what comes first. She requested access to the 2011 audit in order to tie into financial, in terms of oversight. She stated that she was serving on two Oversight Boards, and noted that in her duties with the West Contra Costa Unified School District, she had extensive background with RDA studies. She added that she had materials that she would forward to Mr. Duran to see if anything valuable that would want to present in July, noting that the chief business officials of the District have met to talk about oversight boards duties.

Chair Romero requested a breakdown of debt to revenue.

Board Member Reber requested information as to what extent the actions of the Board are subject to review by other agencies, state or federal.

Finance Director Mastay reported that the first ROPS passed by the Board was sent to the Department of Finance, who upon review requested information on Catellus, Ambac, Bridge Housing, Lewis Company, city loan on Sycamore North, Oliver & Co. contract. She added that all the information had been sent to the State for their review. She explained that they will determine whether they want something on or off the ROPS, but it did not mean Board could not keep on the ROPS.

Vice Chair Gamba questioned if the successor agency would have the opportunity to review with City Attorney and challenge if they thought it was valid and wanted to assert that role.

Chair Romero suggested that the Board may want to meet in the next 2-3 weeks to identify what they want to challenge.

City Manager Duran stated that it was not clear if there were any time constraints, as they have the additional information. He added that per AB26x, if the Board did not agree they could leave on the ROPS.

Vice Chair Gamba questioned if there was a possibility of the DOF pulling an item and a payment is due before July 30.

Mr. Duran advised there are payments that are past due, but would not deal with them before July. He stated that the next large payments are in August, and that others such as Ambac and Oliver would not be paid until properties are sold.

Chair Romero suggested that the Board continue to review and submit questions to staff.

Board Member Van de Brooke requested clarification on the urgency of the Board's role, if there is some operations that the Board needs to oversee for some time, or just wrapping up existing issues.

City Manager Duran stated that there were only a couple of things to do, sell the Sala property and unwind the Disposition and Development Agreement. He explained that he had not started on Sala as he wanted to talk to current tenants, but would bring forward in July to move forward with the sale. With respect to the DDA, he stated that he had discussed with the developer for some time, and there are a number of retail developers looking to buy that site. He stated that it should go through the formality of having the successor agency recommend/approve and have the Oversight Board authorize staff to move forward.

Chair Romero suggested discussion of Agency property and the DDA for Market Hall as possible action items in July.

Board Member Wilkins noted that with respect to the Sala parcel he believed that the Railroad Park and Duck Pond Park were part of the property.

City Manager Duran explained that some time ago the parcels were subdivided and the documents recorded, however not being recognized by the County.

2. Receive Verbal Report And Conduct Discussion Regarding Approval Of The Next Recognized Obligation Payment Schedule (ROPS) Which Will Cover January 1, 2013 Through June 30, 2013 And Which Must Be Submitted To Various Agencies By October 1, 2012

Finance Director Mastay advised the Board that next ROPS is due October 1, stated that it would be scheduled for the July meeting for approval and submittal.

Chair Romero suggested that for the second half of the fiscal year, she look at some items the state is saying should be removed.

XI. REPORTS AND RESOLUTIONS

1. Adopt A Resolution Approving The Recognized Obligation Payment Schedule (ROPS) For The Period July 1, 2012 Through December 31, 2012

Finance Director Mastay reported that on April 24, the Successor Agency approved the draft ROPS and reiterated that the Department of Finance had requested additional information on several items. She stated that she provided that information on April 18th.

In response to Chair Romero's inquiry, Finance Director Mastay stated that the DOF stated that the items for which they request additional information are pulled at random. She noted that Oliver & Co. is the largest amount on the ROPS and believed that the request is to determine if the documentation is available.

Board Member Wilkins questioned whether the HOA fees and senior housing loans, belong to the Agency or the County.

Finance Director Mastay advised that in order to make sure they are paid, keeping on the ROPS, as there is housing bond debt. She added that she would contact Contra Costa Housing Authority to see if it is on their ROPS.

MOTION: Mitchell/Van de Brooke to approve the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2012 through December 31, 2012 with exceptions noted by staff. The motion was adopted by unanimous voice vote.

XII. FUTURE AGENDA ITEM REFERRALS

Vice Chair Gamba requested debt service schedule, 2011 financial audit 2011 and Redevelopment Agency audit.

City Attorney Tang suggested future discussion of legal services for the Oversight Board.

Chair Romero requested scheduling designation of contact person for successor agency, duties oversight board, debts to revenue conceptual look, discussion of deletion of items from ROPS by the Department of Finance.

City Attorney Tang also suggested discussion of a process for the Oversight Board to contest DOF issue. He stated that although the legislation identifies the powers and duties of the Department of Finance, it does not address Oversight Board remedies if they disagree with DOF decisions.

XIII. OVERSIGHT BOARD AND STAFF ANNOUNCEMENTS

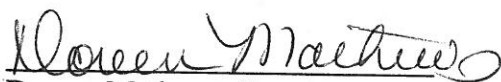
It was the consensus of the Board Romero to set the next meeting for Monday July 30, 2012.

XIV. ADJOURNMENT

Chair Romero adjourned the meeting at approximately 7:47 p.m.


Dan Romero, Chair

ATTEST:


Doreen Mathews, Secretary

