

**MINUTES OF THE MEETING OF
AUGUST 1, 2012
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SONORA**

A regular meeting of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Sonora was scheduled on this date at 1:00 p.m. in the Sonora City Hall Conference Room.

CALL TO ORDER

The following members were present: Chairperson Liz Bass, Vice-Chair Bill Canning, Tami Ethier, Tim Johnson, and Barbara Balen. Absent were Rachelle Kellogg and Nick Stavrianoudakis. The following staff members were present: City Administrator, Tim Miller and Finance Director, Karen Stark.

PUBLIC APPEARANCES - None

MINUTES - Motion by Bill Canning, seconded by Tim Johnson, unanimously carried on a vote of 5-0-0, to approve the minutes of the regular meeting of April 30, 2012, as mailed.

Motion by Bill Canning, seconded by Tim Johnson, unanimously carried on a vote of 5-0-0, to approve the minutes of the special meeting of May 21, 2012.

OATH OF OFFICE FOR OVERSIGHT BOARD MEMBER – An Oath of Office was administered to Barbara Balen.

DISCUSSION ITEMS

A. Department of Finance Recognized Obligation Payment Schedule Approval Letter

City Administrator Tim Miller advised Board Members that the City had received the Recognized Obligation Payment Schedule (ROPS) Approval Letter from the Department of Finance and that the conclusion from the Department of Finance was that the three project loans between the City and the former Redevelopment Agency are not enforceable obligations, and thus removed from the ROPS.

There was no further discussion on this item.

Board Member, Nick Stavrianoudakis arrived to the meeting at 1:15 p.m.

B. AB 1484: Redevelopment Dissolution/Unwind Trailer Bill

City Administrator Tim Miller opened the discussion of AB 1484.

He discussed reconciliation of payments. After conferring with the County Auditor-Controller, it was determined that the City of Sonora Successor Agency did not owe any repayment.

He also discussed the bill included some additional review (Due Diligence) of the Low and Moderate Income Housing Fund, with final review to be completed by October 1, 2012, and unencumbered funds transferred by April 1, 2013. The review includes approval by the Oversight Board and a public meeting allowing comments, which is anticipated to take place at the end of September, 2012, to meet the October 1st deadline.

As part of the requirements under AB 1484, an outside accounting firm will have to be used to prepare the Due Diligence Review. The City and Tuolumne County Auditor's Office will make a decision on which outside accounting firm will be used.

C. Successor Redevelopment Agency Administration Costs Budget vs. Actual covering January 2012 through June 2012.

City Administrator, Tim Miller, referenced attachment B, (initial ROPS) comparing budgeted and actual administrative costs for January, 2012 through June, 2012, which exceed the allowable \$125,000. He advised that the anticipated future administrative costs will increase due to additional staff time required to complete the new tasks that are required under AB 1484.

There were no public comments.

ACTION ITEMS

- A.** Consideration of Resolution# OB 08-01-2012-A, approving the Administrative Budget for the Successor Agency for the time period covering January 1, 2013 through June 30, 2013.

City Administrator, Tim Miller, introduced the Resolution. He advised this was the third Administrative Budget. It is consistent with what was presented in the past.

He asked for adoption of Resolution# OB 08-01-2012-A.

Tami Ethier asked about how administrative costs within the budget were calculated for staff time?

Tim advised that costs were estimated for preparation of Due Diligence Reviews, loan documentation and working on the certificate of completion with the Department of Finance. He expected that City staff will have several hours dedicated for completing required reporting.

Karen Stark advised she has spent an incredible amount of time managing accounting and reporting issues for this entire process. The additional requirements under AB 1484 will require even more of a time commitment.

There were no public comments.

Motion by Bill Canning, seconded by Barbara Balen, unanimously carried on a vote of 6-0-0, to approve the Administrative Budget covering January 1, 2013 through June 30, 2013, Resolution# OB 08-01-2012-A.

- B.** Consideration of Resolution# OB 08-01-2012-B, approving the Recognized Obligation Payment Schedule (“ROPS”) for the time period covering January 1, 2013 through June 30, 2013.

City Administrator, Tim Miller, introduced the Resolution. He advised that the ROPS no longer included the City agency loans, CRAF repayment, and the matching CDBG funds.

He commented that the ROPS was not accepted by DOF due to a re-formatting issue (new form) that was not available at the time the ROPS was submitted. He asked that the approval be considered with the information contained, subject to re-formatting to satisfy Department of Finance’s requirement.

County Auditor-Controller, Debi Russell, had concern over the payment time-frame for the Due Diligence Review costs.

Finance Director, Karen Stark, felt the costs were not Successor Agency costs, but separate costs.

Debi said she can take out of costs before allocations are calculated.

Karen didn’t think the July, 2012 through December, 2012 ROPS could be revised to have these additional costs included.

Craig Pedro suggested that the Due Diligence costs be paid by the County Auditor when they are due; comes out of tax increment costs before distribution to taxing entities.

Motion by Bill Canning, seconded by Tami Ethier, approved on a vote of 6-0-0, to remove item #2, Due Diligence Review payment from the ROPS, with payment of these costs to be made by the Tuolumne County Auditor-Controller’s Office, when due, and approving Resolution # OB 08-01-2012-B, Recognized Obligation Payment Schedule (ROPS) for the time period covering January 1, 2013 through June 30, 2013.

Nick asked to have Agenda materials sent electronically to him.

Tim advised that a special meeting will have to be set in order to meet reporting requirements. It was the consensus of the Board to set a special meeting on September 26, 2012, at 10:00 a.m.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:50 p.m., with the next meeting on Wednesday, September 26, 2012 at 10:00 a.m.

Respectfully submitted,

Kim Campbell,
Community Development Specialist