

Oversight Board  
Successor Agency to the Chico Redevelopment Agency  
Meeting of January 2, 2013 Minutes

<u>Board present:</u> Trevor Stewart, Vice Chair Kevin Bultema Wes Gilbert John Rucker Larry Wahl  <u>Absent:</u> Scott Gruendl Steve Visconti	<u>Staff present:</u> Senior Planner Tillman Administrative Analyst Brinkley
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**REGULAR AGENDA**

A. **Roll Call**

Chair Scott Gruendl and Board Member Steve Visconti were noted as absent.

B. **Public Comment Session - Non-Housing Due Diligence Review**

The Oversight Board convened a public comment session on the Non-Housing Due Diligence Review as required by Health & Safety Code Section 34179.5. The public comment session is required to be held at least five business days prior to the Oversight Board holding the approval vote for the Due Diligence Review. (***Report - Shawn Tillman, Senior Planner***)

Vice Chair Stewart opened the public commenting period.

Juanita Sumner asked how this meeting was noticed.

Staff responded that the agenda was emailed to the Board, staff and requesting parties. The agenda was also posted in front of the Council Chamber building, the full agenda packet was posted on the City website as required by AB 26 and AB 1484 and a public viewing copy placed in the agenda basket on the third floor of City Hall.

Vice Chair Stewart stated that the Board will not be approving the review until January 9<sup>th</sup>, to allow for the five day public commenting period.

Board Member Wahl asked staff to clarify language in the staff report, which states under "Background", last line in paragraph four, "Any obligations paid with such proceeds need to be included on a future ROPS as enforceable obligations". He questioned why the word "need" is used rather than "must".

Senior Planner Tillman responded it should be "must".

Board Member Wahl asked that the wording be changed.

Senior Planner Tillman indicated it was merely a choice in wording and this is written in the staff report, not the language of the review. He added that he will characterize this differently in the future.

Board Member Wahl also inquired about the difference in the amounts noted under "Discussion", line 3 of paragraph two, page 2 of the staff report, which notes the amount as \$421,428, and in the auditor's findings, it states the amount is \$427,428. He also asked the additional following questions: why this amount is not reflected in Exhibit A? What does Footnote 1 mean on Exhibit I? And why is Harvest Park Apartments listed twice on Exhibit I?

Senior Planner Tillman stated that it is a typo in the staff report and the amount of \$427,428 in the auditor's findings is correct. The amount isn't reflected in Exhibit A because it was not transferred to the Successor Agency. The amount was retained to pay accrued wages and accrued accounts payable. He was unable to answer the questions regarding the footnote and Harvest Park Apartments, but other staff more familiar with the report will be available to answer the questions at the January 9<sup>th</sup> meeting.

Board Member Wahl requested a full set of accounting at the January 9<sup>th</sup> meeting to know what everything means.

Juanita Sumner asked since these questions can't be answered by staff, does the January 9<sup>th</sup> meeting need to be bumped out.

Vice Chair Stewart stated that the questions are related to the exhibits, not to the auditor's report related to the testing of the transactions.

Vice Chair Stewart closed the public comment period.

C. **Reports and Communications**

Senior Planner Tillman stated he will have answers to the above questions. He also asked Board Member Wahl if he would like to have further discussion on the 11<sup>th</sup> Street property, as a written staff report has previously been provided.

Board Member Wahl asked that the item be placed on the next agenda.

D. **Business from the Floor** - Members of the public may address the Board at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Board cannot take any action at this meeting on requests made under this section of the agenda.

Board Member Wahl asked staff to determine how much has been paid for individual staff members' salaries over the last twelve months. It needs to be determined if the administrative cost allowance is appropriate or if it needs to be adjusted so that taxing entities get their fair share.

Board Member Gilbert recalled there being discussion regarding a "true-up" payment of the administrative cost allowance at the end of the year because the amount seemed high.

E. **Adjournment and Next Meeting** - The meeting adjourned at 9:26 a.m. to an adjourned regular meeting of the Oversight Board on Wednesday, January 9, 2013, at 9:00 a.m. in Conference Room No. 1.

Date approved: Jan. 9, 2013

Dani Brinkley  
Dani Brinkley, Administrative Analyst

Oversight Board  
Successor Agency to the Chico Redevelopment Agency  
Meeting of February 27, 2013 Minutes

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<u>Board present:</u> Scott Gruendl, Chair Trevor Stewart, Vice Chair Kevin Bultema Wes Gilbert Sherry Morgado Steve Visconti Larry Wahl	<u>Staff present:</u> Finance Director Hennessy Senior Planner Tillman Administrative Analyst Brinkley
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**REGULAR AGENDA**

A. **Roll Call**

All Board Members were present.

B. **Oath of Office - Newly Appointed Oversight Board Member Sherry Morgado**

City Clerk Presson swore in newly appointed Board Member, Sherry Morgado.

C. **Review of 2012-2013 Successor Agency Administrative Budget** - No report provided

Note: Items C and D were discussed concurrently under Item C.

Finance Director Hennessy provided a verbal update of the administrative budget for FY 12-13. The Budget vs. Actuals as January 31, 2013 indicate that 105.6 percent of the budget has been spent. There is projected to be a \$638,486 budget shortfall, which will be absorbed by the City's General Fund. The Indirect Cost Allocations were budgeted at \$50,000, with the annualized projection being \$541,364. Director Hennessy stated that the Cost Allocation Plan can not be changed mid-stream and the City is working on updating the plan. Once the new plan is adopted, staff will look at the changes and how it affects the Successor Agency budget and provide an update to the Oversight Board.

Director Hennessy reported that salaries and benefits are trending over because the actual amount of staff dedicated to the Successor Agency was unknown.

Board Member Wahl stated that at the November 2012 meeting, staff was asked to provide a breakdown of the individuals or employees that are dedicating time to the agency. He stated, for example, that 100% of Shawn Tillman's time is allocated towards the Successor Agency but he does not work solely on projects that are related to the Redevelopment Agency. He stated that too much is being paid or budgeted for employees who aren't working on the Successor Agency.

Director Hennessy stated the staff didn't realize that Board Member Wahl wanted an individual breakdown. She indicated that information would be emailed to the Oversight Board Members.

Chair Gruendl asked what the deadline is for approving the FY13-14 budget.

Senior Planner Tillman stated there isn't a deadline to approve the budget; however there is a deadline of March 1, 2013 to approve the July-December 2013 ROPS.

Director Hennessy stated the Oversight Board could wait until the City adopts the new Cost Allocation Plan and bring the budget back at the May meeting. However, staff does not anticipate the 3% administrative allowance to fall below what is being budgeted.

Board Member Bultema asked Finance Director Hennessy why the actuals for salaries and benefits are not reflected in the proposed budget.

Finance Director Hennessy stated that she does have the actuals, she just didn't break them down by department. They are right at \$200,000.

Board Member Bultema stated there's an appropriation made for the budget. This Board approved the budget, in essence, by line item. He asked Finance Director Hennessy, when she is looking at an indirect cost rate of of \$270,000, with a budget line item of \$50,000, the City has overspent within that line item, correct. She responded that is correct. He further asked if it was her understanding that the budget that is approved is appropriated by line item so she does not have authority to spend more than the \$50,000 indirect cost.

Finance Director Hennessy responded that is something the Board would have to determine. It was her understanding the Board adopted a bottom line budget. If the Successor Agency spent no money on salaries and benefits, but there's still a cost allocation and it is within the bottom line, then it would be okay. We wouldn't have to supplant that because there wouldn't be a short fall in the bottom line.

Board Member Bultema stated this would be an interesting conversation for the Board. What the Board is approving is a set amount with authority for the City to spend it however staff feels it needs to be spent. It may be fine, but it's something that needs to be discussed.

Board Member Stewart stated that when the Board approved the last administrative budget, the City was in the middle of the fiscal year and it wasn't appropriate to make staff reductions on an immediate basis, but rather wait to see how things played out. When looking at the 13-14 budget, the City is going to have to evaluate not including this pot of money into its indirect costs allocation. If there is \$541,000 annualized in the current year 12-13, He doesn't see how the City can do that in such a way to keep it within \$50,000.

Finance Director Hennessy respond that's what the CAP study is determining and with the dramatic reduction on in RDA activities, it should come down, but staff isn't sure of how much. If the Board wants to wait until the CAP is done, then the City would know more accurately about the \$50,000 allocation.

Chair Gruendl summarized that after reviewing the proposed budget, the Board consensus is to delay action on approving the budget, until the following directives have been provided:

1. Staff will provide a break down of individual salaries and benefits
2. Time the approval of the budget so that the Board has a more accurate CAP amount that is charged toward the administrative budget
3. Development of a process that requires Board approval for line item changes in the approved budget.

Finance Director Hennessy asked that rather than line items, it be between categories. The Board agreed to her request.

Board Member Stewart added that the only number in the budget that jumps out and concerns him is the annualized projection for indirect costs of \$541,364.

- D. **Approval of Successor Agency Administrative Budget for FY 2013-2014** -Under AB 1x26, each successor agency to a former redevelopment agency is required to prepare an administrative budget and submit it to the oversight board for its approval. The budget covers successor agency administrative and operating costs for the period July 1, 2013 through June 30, 2014. *(Report-Jennifer Hennessy, Finance Director)*

**Recommendation:** Adoption of the following resolution:

*RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CHICO REDEVELOPMENT AGENCY APPROVING THE ADMINISTRATIVE BUDGET AND ADMINISTRATIVE COST ALLOWANCE FOR THE PERIOD JULY THROUGH DECEMBER 2013*

As noted above, the Board delayed action on this resolution.

- E. **Approval of the Recognized Obligation Payment Schedule for the Period July-December 2013-** The Recognized Obligation Payment Schedule (ROPS) for the period July-December 2013 must be approved by the Oversight Board and submitted to the Department of Finance (DOF) no later than March 1, 2013. The ROPS is forward looking to the next six months and serves as the Successor Agency's ongoing

authority for making payments on the obligations of the former redevelopment agency. The ROPS covers the period July 1, 2013 through December 31, 2013. (*Report-Shawn Tillman, Senior Planner; Jennifer Hennessy, Finance Director*)

A motion was made by Board Member Stewart and seconded by Board Member Morgado to adopt:

*RESOLUTION NO. 3-13: RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CHICO REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 2013 THROUGH DECEMBER 2013*

The motion carried 7-0.

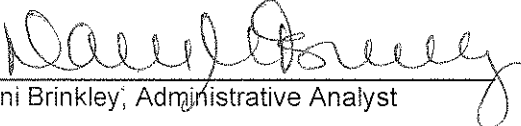
F. **Reports and Communications**

1. **Legislative Update** - Senior Planner Tillman provided a verbal report.

G. **Business from the Floor** - None

H. **Adjournment and Next Meeting** - The meeting adjourned at 8:50 a.m. to a regular meeting of the Oversight Board on Wednesday, March 6, 2013, at 9:00 a.m. in Conference Room No. 1.

Date approved: 6/5/13

  
Dani Brinkley, Administrative Analyst



City Clerk's Office  
411 Main Street, Chico, CA 95928  
(530) 896-7250

## Oversight Board to the City of Chico Successor Agency

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### NOTICE OF CANCELLATION OF MEETING

The Oversight Board meeting scheduled for  
April 3, 2013 has been cancelled.

A next regular meeting of the Oversight Board is  
scheduled for Wednesday, May 1, 2013 at 9:00 a.m. in  
Conference Room 1, unless otherwise noted.

Posted: March 28, 2013

By: \_\_\_\_\_  
Dani Brinkley, Administrative Analyst



City Clerk's Office  
411 Main Street, Chico, CA 95928  
(530) 896-7250

## Oversight Board to the City of Chico Successor Agency

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### NOTICE OF CANCELLATION OF MEETING

The Oversight Board meeting scheduled for  
May 1, 2013 has been cancelled.

A next regular meeting of the Oversight Board is  
scheduled for Wednesday, June 5, 2013 at 9:00 a.m. in  
Conference Room 1, unless otherwise noted.

Posted: April 26, 2013

By: \_\_\_\_\_  
Dani Brinkley, Administrative Analyst

Oversight Board  
Successor Agency to the Chico Redevelopment Agency  
Meeting of June 5, 2013 Minutes

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<b>Board present:</b> Scott Gruendl, Chair Trevor Stewart, Vice Chair Wes Gilbert Sherry Morgado Steve Visconti  <b>Absent:</b> Kevin Bultema Larry Wahl	<b>Staff present:</b> Accountant Martin Senior Planner Tillman Administrative Analyst Brinkley
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**REGULAR AGENDA**

A. **Roll Call**

Board Members Bultema and Wahl were noted as being as being absent.

B. **Approval of Minutes dated January 9, 2013 and February 27, 2013**

A motion was made by Board Member Stewart and seconded by Board Member Visconti to approve the minutes.

The motion carried 5-0, with Bultema and Wahl absent.

C. **Update on Staff Charges for Successor Agency Administrative Cost Allowance**- Board Member Wahl requested that the Oversight Board be updated on City of Chico staff charges to the administrative cost allowance of the Successor Agency. *(Verbal Report - Barbara Martin, Accountant)*

Accountant Martin provided the Board with an update on the staff charges. No action was requested.

D. **Approval of Successor Agency Administrative Budget for FY 2013-2014** - Under AB 1x26, each successor agency to a former redevelopment agency is required to prepare an administrative budget and submit it to the oversight board for its approval. The budget covers successor agency administrative and operating costs for the period July 1, 2013 through June 30, 2014. *(Report - Administrative Services Department)*

A motion was made by Vice Chair Stewart and seconded by Board Member Gilbert to approve the following resolution, as amended to remove the lines regarding revenue:

*RESOLUTION NO. 4-13: RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CHICO REDEVELOPMENT AGENCY APPROVING THE ADMINISTRATIVE BUDGET AND ADMINISTRATIVE COST ALLOWANCE FOR THE PERIOD JULY THROUGH DECEMBER 2013*

The motion carried 5-0, with Bultema and Wahl absent.

E. **Approval of Long Range Property Management Plan** - Pursuant to Health & Safety Code Section 34191.5, the Successor Agency is required to submit a Long Range Property Management Plan to the Oversight Board and Department of Finance (DOF) for approval. The LRPMP addresses the disposition and use of the real property owned by the former redevelopment agency. *(Report- Shawn Tillman, Senior Planner)*

Staff was directed to develop language to add to the plan that addresses the disposition of property once the Oversight Board is dissolved.

The item was tabled to the August 7, 2013 meeting.



F. Reports and Communications - None

1. Legislative Update

G. Business from the Floor - None

H. Adjournment and Next Meeting - The meeting adjourned at 10:14 a.m. to a regular meeting of the Oversight Board on Wednesday, July 3, 2013, at 9:00 a.m. in Conference Room No. 1.

Date approved: Sept. 30, 2013

Dani Brinkley  
Dani Brinkley, Administrative Analyst

Oversight Board  
Successor Agency to the Chico Redevelopment Agency  
Meeting of August 7, 2013 Minutes

<u>Board present:</u> Scott Gruendl, Chair Trevor Stewart, Vice Chair Kevin Bullema Sherry Morgado Steve Visconti Larry Wahl  <u>Absent:</u> Wes Gilbert	<u>Staff present:</u> Senior Planner Tillman Deputy City Clerk Brinkley
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**REGULAR AGENDA**

A. **Roll Call**

Board Member Gilbert was noted as being absent.

- B. **Approval of Long Range Property Management Plan** - Pursuant to Health & Safety Code Section 34191.5, the Successor Agency is required to submit a Long Range Property Management Plan to the Oversight Board and Department of Finance (DOF) for approval. The LRPMP addresses the disposition and use of the real property owned by the former redevelopment agency. (*Report-Shawn Tillman, Senior Planner*)

A motion was made by Board Member Stewart and seconded by Board Member Morgado to adopt the following resolution:

*RESOLUTION NO. 5-13: RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CHICO REDEVELOPMENT AGENCY APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN*

The motion carried 6-0, with Gilbert absent.

- C. **Reports and Communications** - Senior Planner Tillman provided a verbal report.

1. **Legislative Update**

- D. **Business from the Floor** - None

- E. **Adjournment and Next Meeting** - The meeting adjourned at 9:15 a.m. to a regular meeting of the Oversight Board on Wednesday, September 4, 2013, at 9:00 a.m. in Conference Room No. 1.

Date approved: Sept. 30, 2013

  
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Dani Brinkley, Deputy City Clerk



City Clerk's Office  
411 Main Street, Chico, CA 95928  
(530) 896-7250

## Oversight Board to the City of Chico Successor Agency

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### NOTICE OF CANCELLATION OF MEETING

The Oversight Board meeting scheduled for  
September 4, 2013 has been cancelled.

A Special Meeting of the Oversight Board is being  
scheduled for Wednesday, September 25, 2013 at 8:00  
a.m. in Conference Room 1, unless otherwise noted.

Posted: August 28, 2013

By: \_\_\_\_\_  
Dani Brinkley, Deputy City Clerk



City Clerk's Office  
411 Main Street, Chico, CA 95928  
(530) 896-7250

## Oversight Board to the City of Chico Successor Agency

### NOTICE OF RE-SCHEDULING OF MEETING

The Oversight Board Special Meeting scheduled for September 25, 2013 has been re-scheduled.

A Special Meeting of the Oversight Board is being scheduled for Monday, September 30, 2013 at 8:00 a.m. in Conference Room 1, unless otherwise noted.

Posted: Sept. 18, 2013

By: \_\_\_\_\_/S/\_\_\_\_\_  
Dani Brinkley, Deputy City Clerk

Oversight Board  
Successor Agency to the Chico Redevelopment Agency  
Meeting of September 30, 2013 Minutes

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**REGULAR AGENDA**

A. **Roll Call**

**Board Members Present:** Scott Gruendl, Trevor Stewart, Wes Gilbert, Steve Visconti, Larry Wahl

**Board Members Absent:** Kevin Bultema, Sherry Morgado

B. **Approval of Minutes dated June 5, 2013 and August 7, 2013.**

A motion was made by Board Member Wahl and seconded by Vice Chair Stewart to approve the minutes.

The motion carried 5-0, with Bultema and Morgado absent.

C. **Approval of Expenditure Agreement Between the City of Chico and the Successor Agency-** Under provisions of the Health & Safety Code adopted as part of AB 1484, a successor agency that has been issued a finding of completion is authorized to use proceeds derived from bonds issued on or before December 31, 2010 for the purposes for which the bonds were sold. Approximately \$6.2 million in excess bond proceeds remain from bonds issued by the Chico Redevelopment Agency in 2001 and 2005. This agreement will create the enforceable obligation for expenditure of the excess bond proceeds by the City of Chico. ***(Report-Shawn Tillman, Senior Planner)***

Juanita Sumner addressed the Board in regards to the Community not being involved with the Highway 32 widening project and developers not paying their share for developments that increase the use of roads, and that fees should be collected up front.

A motion was made by Board Member Gilbert and seconded by Board Member Wahl to approve the following resolution:

*RESOLUTION NO. 6-13: RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CHICO REDEVELOPMENT AGENCY APPROVING AN EXPENDITURE AGREEMENT BETWEEN THE CITY OF CHICO AND THE SUCCESSOR AGENCY TO THE CHICO REDEVELOPMENT AGENCY PROVIDING FOR THE EXPENDITURE OF EXCESS BOND PROCEEDS ON SPECIFIED PROJECTS*

The motion carried 4-1, with Stewart dissenting, and Bultema and Morgado absent.

D. **Approval of the Recognized Obligation Payment Schedule for the Period January-June 2014 (ROPS 13-14B)-** The Recognized Obligation Payment Schedule (ROPS) for the period January-June 2014 must be approved by the Oversight Board and submitted to the Department of Finance (DOF) not later than October 1, 2013. The ROPS is forward looking to the next six months and serves as the Successor Agency's ongoing authority for making payments on the obligations of the former redevelopment agency. The ROPS covers the period January 1, 2014 through June 30, 2014. ***(Report-Barbara Martin, Budget and Treasury Manager)***

Director Constantin provided the report on behalf of Budget and Treasury Manager Martin.

A motion was made by Vice Chair Stewart and seconded by Board Member Visconti to adopt the following resolution:

*RESOLUTION NO. 7-13: RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CHICO REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JANUARY 2014 THROUGH JUNE 2014*

The motion carried 5-0, with Bultema and Morgado absent.

E. **Reports and Communications** – Senior Planner Tillman explained the details and process for the Stipulated Judgment between the Department of Finance and the Successor Agency.

1. **Legislative Update** - None

F. **Business from the Floor** - None

G. **Adjournment and Next Meeting** - The meeting adjourned at 8:50 a.m. to a regular meeting of the Oversight Board on Wednesday, November 6, 2013, at 9:00 a.m. in Conference Room No. 1.

Date approved: 2/5/14

Dani Brinkley  
Dani Brinkley, Deputy City Clerk



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411 Main Street, Chico, CA 95928  
(530) 896-7250

## Oversight Board to the City of Chico Successor Agency

### NOTICE OF CANCELLATION OF MEETING

The Oversight Board meeting scheduled for  
November 6, 2013 has been cancelled.

A next regular meeting of the Oversight Board is  
scheduled for Wednesday, December 4, 2013 at 9:00 a.m.  
in Conference Room 1, unless otherwise noted.

Posted: October 31, 2013

By: \_\_\_\_\_/s/  
Dani Brinkley, Deputy City Clerk



City Clerk's Office  
411 Main Street, Chico, CA 95928  
(530) 896-7250

## Oversight Board to the City of Chico Successor Agency

### NOTICE OF CANCELLATION OF MEETING

The Oversight Board meeting scheduled for  
December 4, 2013 has been cancelled.

The next regular meeting of the Oversight Board is  
scheduled for Thursday, January 2, 2014 (due to  
Wednesday, January 1, 2014 being a holiday) at 9:00 a.m.  
in Conference Room 1, unless otherwise noted.

Posted: November 27, 2013

By: \_\_\_\_\_  
Dani Brinkley, Deputy City Clerk