

MINUTES OF A REGULAR MEETING OF THE
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
TO THE DISSOLVED CYPRESS REDEVELOPMENT AGENCY

HELD

February 3, 2015

A regular meeting of the Oversight Board to the Successor Agency to the Dissolved Cypress Redevelopment Agency was called to order at 5:01 p.m. by Board Chair Bailey in the Executive Board Room, 5275 Orange Avenue, Cypress, California.

Board Members present:

Board Chair Doug Bailey
Board Vice Chair Leroy Mills
Board Member Matt Burton
Board Member Charles Mealey
Board Member Bruce Saltz
Board Member Fred Williams (arrived at 5:03 p.m.)
Board Member Mariellen Yarc

Staff present:

City Manager Peter Grant (Successor Agency)
Jennifer Farrell (Successor Agency Counsel)
Redevelopment Project Manager Steve Clarke (Successor Agency)
City Clerk/Secretary Denise Basham (Successor Agency)

ORAL COMMUNICATIONS:

None.

NEW BUSINESS:

Item No. 1: APPROVAL OF MINUTES – MEETING OF SEPTEMBER 2, 2014.

It was moved by Board Member Yarc and seconded by Board Chair Bailey, to adopt Resolution No. OB-30 approving the meeting minutes of September 2, 2014.

The motion was unanimously carried by the following vote:

AYES: 7 BOARD MEMBERS: Burton, Mealey, Saltz, Williams, Yarc, Mills and Bailey
NOES: 0 BOARD MEMBERS: None
ABSENT: 0 BOARD MEMBERS: None

OVERSIGHT BOARD RESOLUTION NO. OB-30

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
TO THE DISSOLVED CYPRESS REDEVELOPMENT AGENCY
APPROVING THE MINUTES OF THE OVERSIGHT BOARD
MEETING OF SEPTEMBER 2, 2014**

Item No. 2: APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-16A) FOR THE PERIOD JULY 1, 2015 THROUGH DECEMBER 31, 2015.

Board Member Burton indicated that the Recognized Obligation Payment Schedule for the period July 1, 2015 through December 31, 2015 totals \$153,000. He stated that the amount includes the semi-annual lease payment on the Revenue Bond, as well as \$95,000 in litigation costs related to the Successor Agency's lawsuit against the State Controller's Office and the Department of Finance, and \$23,500 in administrative expenses. He indicated that approximately \$20,000 in leftover monies from the previous six-month period would be applied to this period, and that the ROPS is due to the State Department of Finance by March 3, 2015.

Board Member Yarc asked if the State Department of Finance would question the expenses.

The Successor Agency Treasurer responded that all items had been approved in the past.

It was moved by Board Vice Chair Mills and seconded by Board Member Yarc, that the Oversight Board to the Dissolved Cypress Redevelopment Agency adopt Resolution No. OB-31 approving and adopting the Recognized Obligation Payment Schedule (ROPS 15-16A) for the period of July 1, 2015 through December 31, 2015.

The motion was unanimously carried by the following vote:

AYES: 7 BOARD MEMBERS: Burton, Mealey, Saltz, Williams, Yarc, Mills and Bailey
NOES: 0 BOARD MEMBERS: None
ABSENT: 0 BOARD MEMBERS: None

OVERSIGHT BOARD RESOLUTION NO. OB-31

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
TO THE DISSOLVED CYPRESS REDEVELOPMENT AGENCY APPROVING THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-16A) FOR THE
PERIOD JULY 1, 2015 THROUGH DECEMBER 31, 2015.

Item No. 3: ADOPTION OF THE ADMINISTRATIVE BUDGET FOR THE CYPRESS SUCCESSOR AGENCY FOR THE SIX-MONTH PERIOD OF JULY 1, 2015 THROUGH DECEMBER 31, 2015.

Board Member Burton indicated that the Oversight Board is requested to adopt a Resolution for the Successor Agency administrative budget in the amount of \$23,500 for the six-month period of July 1, 2015 through December 31, 2015, due to the dissolution of the Cypress Redevelopment Agency. He indicated that the amount includes \$8,000 in administrative costs, \$10,000 in legal services, and \$5,400 in audit services. He stated that this administrative budget is identical to what was approved by the Successor Agency Board at its meeting of January 26, 2015.

It was moved by Board Vice Chair Mills and seconded by Board Member Williams, that the Oversight Board to the Dissolved Cypress Redevelopment Agency adopt Resolution No. OB-32 approving and adopting the administrative budget for the Successor Agency for the six-month period of July 1, 2015 through December 31, 2015.

The motion was unanimously carried by the following vote:

AYES: 7 BOARD MEMBERS: Burton, Mealey, Saltz, Williams, Yarc, Mills and Bailey
NOES: 0 BOARD MEMBERS: None
ABSENT: 0 BOARD MEMBERS: None

OVERSIGHT BOARD RESOLUTION NO. OB-32

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
TO THE DISSOLVED CYPRESS REDEVELOPMENT AGENCY APPROVING THE
ADMINISTRATIVE BUDGET FOR THE SIX-MONTH PERIOD OF
JULY 1, 2015 THROUGH DECEMBER 31, 2015.

OVERSIGHT BOARD INFORMATIONAL ITEMS & ANNOUNCEMENTS:

Ms. Farrell stated that the State Department of Finance is committed to reaching a settlement, and that the Writ of Mandate hearing is scheduled for March 2015, and that it would be necessary to delay the hearing to August 2015. She indicated that with regard to legislation, there is proposed language that would amend redevelopment dissolution law, and that the Governor has not yet released the actual language, however the Department of Finance is cleaning up a couple areas of the language and that there is no specific language yet. She stated that this would not affect the settlement agreement.

Board Member Williams asked what language might be cleaned up.

Ms. Farrell responded that the Recognized Obligation Payment Schedule (ROPS) could be adopted annually rather than every six months, and that possible controversial amendments could include the State Department of Finance undoing the Emeryville decision which could retroactively invalidate approved agreements, changes to the 2011 bond proceeds, and interest rates on loans and loan repayments. She stated that she is unsure what would be considered in the legislation.

Board Chair Bailey asked about the likelihood of a resolution by 2016.

Ms. Farrell responded that Successor Agencies as a whole would be in existence beyond 2016 and until the obligation payments are paid off. She stated that the State Department of Finance wants a quick resolution.

The City Manager clarified that the Oversight Boards would roll up to the County level.

Ms. Farrell confirmed.

Board Member Yarc asked if there would be resolution by 2016 on the 13 acres of property.

Ms. Farrell responded that the property would be the subject of the Settlement Agreement and that the State Department of Finance seems willing to release the property.

Board Member Williams asked if there is sufficient time between now and March 2015 to create an agreement.

Ms. Farrell remarked that past experience with the State Department of Finance indicates that the settlement could take a substantial amount of time.

The City Manager commented that he is optimistic about a settlement.

ADJOURNMENT: Board Chair Bailey adjourned the meeting at 5:14 p.m. to Tuesday, February 17, 2015, beginning at 5:30 p.m. in the Executive Board Room.


OVERSIGHT BOARD CHAIR

ATTEST:


CITY CLERK AS SECRETARY
TO THE OVERSIGHT BOARD