



Thursday, April 12, 2012

A Special Meeting of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency was held in the Council Chamber, Pico Rivera City Hall, 6615 Passons Boulevard, Pico Rivera, California.

Meeting was called to order at 5:00 p.m.

PLEDGE OF ALLEGIANCE: Led by Bob Archuleta, City of Pico Rivera

PUBLIC COMMENTS: None.

AGENDA ITEMS:

1. Designate a Chairperson and Vice-Chairperson of the Oversight Board.

Assistant City Clerk Anna Jerome called for the nomination for the Office of Chairperson. Boardmember Belinda Faustinos was nominated by Boardmember Ron Bates. Noting no further names, the nomination period closed.

Boardmember Belinda Faustinos was nominated and selected to serve as Chairperson of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency for the calendar year 2012 pursuant to a 5-0 vote.

AYES: Archuleta, Bates, Kreimann, Moreno, Faustinos

NOES: None

ABSENT: Gutierrez-Lohrman

Chairperson Faustinos called for nominations for the Office of Vice Chairperson. Boardmember Bates nominated Boardmember Bob Archuleta. Noting no further names, the nomination period closed.

Boardmember Bob Archuleta was nominated and selected to serve as Vice Chairperson of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency for the calendar year 2012 pursuant to a 5-0 vote.

AYES: Archuleta, Bates, Faustinos, Kreimann, Moreno

NOES: None

ABSENT: Gutierrez-Lohrman

2. Administrative Budget.

Director of Finance Mike Matsumoto stated that the Health & Safety Code Section 34177 requires the Successor Agency to prepare an Administrative Budget and submit it to the Oversight Board for approval.

Motion by Boardmember Armando Moreno, seconded by Boardmember Santos Kreimann to pay for Errors & Omission Insurance and seek independent counsel.

Boardmember Moreno stated his concerns with a conflict of interest between the city and the Oversight Board. He stated that the law is complex and that the only way he will serve is that 1) if the city agrees to provide Errors & Omission Insurance and pay for the premiums for all board members and 2) that the city hires independent counsel and pays for the fees for independent counsel to provide advice. He stated that if these two requirements could not be met, he respectfully resigns.

Boardmember Bates stated that there is no funding provided by the county for the Oversight Board. Mr. Bates further stated that the Pico Rivera Redevelopment Agency is fairly simple and that the county is the major beneficiary of the Redevelopment Agency taking 65% of the increment. The only two sources of revenue, he stated, are sales tax and the tax increment so it's not as complex as other cities and agencies.

Boardmember Kreimann suggested bifurcating the 2013 budget with the 2011-2012 budgets by discussing the allocations of the expenditures in 2011-2012 and in a subsequent meeting discussing the 2012-2013 budget.

After a brief discussion amongst the board members regarding cash flow, contracted services, severance, list of consultants, Errors & Omission Insurance, conflict of interest, and independent counsel, direction was given by Chairperson Faustinos to: 1) obtain three quotes for E & O Insurance not to exceed \$1000 (\$5000 collectively) as of April 12, 2012; 2) provide requested backup information for severance and list of consultants; and 3) seek independent counsel.

Original motion by Boardmember Moreno was withdrawn.

Motion by Boardmember Bates, seconded by Vice Chairperson Archuleta to: 1) obtain three quotes for E & O Insurance not to exceed \$1000 (\$5000 collectively) as of April 12, 2012; 2) provide requested backup information for severance and list of consultants; 3) seek independent counsel; and 4) table the adoption of the administrative budget to the following meeting. Motion carries by the following roll call vote:

AYES: Archuleta, Bates, Kreimann, Moreno, Faustinos

NOES: None

ABSENT: Gutierrez-Lohrman

3. Recognized Obligation Payment Schedule.

Director of Finance Matsumoto stated that the Health & Safety code requires a six month Recognized Obligation Payment (ROP) schedule and the first schedule has a due date of April 15, 2012, the second has a due date of April 27, 2012. He stated that he prepared an eight month ROP schedule which has been submitted to the County Auditor Controller on February 15, 2012. The County Auditor, he stated, has arranged for the audit to begin at the end of April early May.

Boardmember Kreimann suggested bifurcating the ROP payment to give the Oversight Board more time to review documents on the second part of the payment.

Chairperson Faustinos asked if the county has not completed their review how would we know what their feedback is. She further asked what the implications would be if requirements are not met. Director of Finance Matsumoto stated that according to the law, the Successor Agency had to submit ROPS by March 1, 2012.

Vice Chairperson Archuleta stated that the Successor Agency received mandated dates that needed to be met under the umbrella of the county which staff has done, so any deviation of that would be going counter to what the county has already instructed.

Boardmember Moreno stated that the Oversight Board could follow the April 15, 2012 deadline but that is only mandated for this fiscal year so the board could bifurcate this budget.

Boardmember Bates suggested bifurcating the budget by approving May and June and bringing back July through December at the next meeting.

Boardmember Kreimann asked questions regarding tax increments, debt service and fund balances, and requested supporting documentation in regard to audits from 1972, all fund balances and expenditures. Director of Finance Matsumoto stated that he may not have the 1972 records based on the city's retention schedule.

Motion by Vice Chairperson Archuleta, seconded by Boardmember Bates to adopt and amend the resolution of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency establishing the Recognized Obligation Payment Schedule (ROPS) for May and June and amending the July through December payment schedule which would include insurance and administration cost, severance pay, taxes and benefits, cash flow, timing of dispersement, audited statements and expenditures to be brought back at a subsequent meeting. Motion carries by the following roll call vote:

Resolution No. OB-02-12 A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34180, ESTABLISHING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE

AYES: Archuleta, Bates, Kreimann, Moreno, Faustinos

NOES: None

ABSENT: Gutierrez-Lohrman

4. Designate Official For State.

Motion by Vice Chairperson Archuleta, seconded by Boardmember Bates to adopt Resolution No. OB-03-12 of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency designating the Director of Finance for the City of Pico Rivera as the official to whom the State Department of Finance can contact to request a review of information submitted by the Oversight Board. Motion carries by the following roll call vote:

Resolution No. OB-03-12 A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179, DESIGNATING THE DIRECTOR OF FINANCE FOR THE CITY OF PICO RIVERA AS THE OFFICIAL TO WHOM THE STATE DEPARTMENT OF FINANCE CAN CONTACT TO

REQUEST A REVIEW OF INFORMATION SUBMITTED BY THE
OVERSIGHT BOARD

AYES: Archuleta, Bates, Kreimann, Moreno, Faustinos

NOES: None

ABSENT: Gutierrez-Lohrman

5. Transfer Housing Responsibilities and Assets.

Director of Finance Matsumoto stated that Health & Safety Code Section 34181c requires the Oversight Board to direct the Successor Agency to transfer the Housing responsibilities, rights, powers and duties to the Housing Successor and the City of Pico Rivera designated the Pico Rivera Housing Assistance Agency as the Housing Successor in January 2012.

Boardmember Kreimann asked if there was a specific timeline to make this decision as he is having difficulty determining, based on the information provided, whether these assets are Housing Assets or Agency Assets. He requested to see all resolutions and supporting documentation (agreements) that encumbers those funds for these particular projects.

Motion by Boardmember Kreimann, seconded by Boardmember Moreno to table the item. Motion carries by the following roll call vote:

AYES: Archuleta, Bates, Kreimann, Moreno, Faustinos

NOES: None

ABSENT: Gutierrez-Lohrman

6. Approve Resolution Adopting Bylaws and Rules of Procedures.

Chairperson Faustinos recommended that the fiscal procedures of the City of Pico Rivera be included in the by-laws.

For clarification purposes in regard to public comment, Boardmember Kreimann asked how much time the speaker has to comment and if that is for each item. Director of Finance Matsumoto stated that the speaker has a total of three (3) minutes to comment on all items.

Motion by Boardmember Bates, seconded by Vice Chairperson Archuleta to adopt and amend the resolution of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency ("Oversight Board") adopting the Bylaws and Procedures of the Oversight Board and amending the by-laws by including the city's purchasing procedures. Motion carries by the following roll call vote.

Resolution No. OB-04-12 A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY APPROVING AND ADOPTING BYLAWS AND REGULATIONS FOR OPERATIONS OF ITS MEETINGS PROCEEDINGS AND BUSINESS

AYES: Archuleta, Bates, Kreimann, Moreno, Faustinos

NOES: None

ABSENT: Gutierrez-Lohrman

7. Establishing a Regular Meeting Schedule for the Oversight Board of the Successor Agency for the Pico Rivera Redevelopment Agency.

After a brief discussion, board members decided to approve the recommended meeting schedule as stated and at the next board meeting review the schedule for any further changes.

Motion by Vice Chairperson Archuleta, seconded by Boardmember Bates that the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency ("Oversight Board") meet the third Thursday of the first month of each calendar quarter at 4:30 p.m. in the Council Chambers at 6615 Passons Boulevard, Pico Rivera, California. Motion carries by the following roll call vote:

AYES: Archuleta, Bates, Kreimann, Moreno, Faustinos

NOES: None

ABSENT: Gutierrez-Lohrman

ADJOURNMENT:

Chairperson Faustinos adjourned the meeting at 6:56 p.m. There being no objection is was so ordered.

AYES: Archuleta, Bates, Kreimann, Moreno, Faustinos

NOES: None
ABSENT: Gutierrez-Lohrman

Chairperson, Belinda Faustinos

ATTEST:

Anna M. Jerome, Assistant City Clerk

I hereby certify that the foregoing is a true and correct report of the proceedings of the Oversight Board of the Successor Agency to the Pico Rivera Redevelopment Agency special meeting dated April 12, 2012 and approved by the Oversight Board on April 26, 2012.

Anna M. Jerome, Assistant City Clerk