

**PINOLE OVERSIGHT BOARD MINUTES**  
**(OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE PINOLE**  
**REDEVELOPMENT AGENCY)**  
**FEBRUARY 27, 2013**

**1. CALL TO ORDER & PLEDGE OF ALLEGIANCE**

Vice Chair Toms called the meeting of the Oversight Board for the Successor Agency of the Pinole ("Oversight Board") to order on behalf of Chair Long at 4:02 p.m. in the Pinole City Council Chambers, 2131 Pear Street, Pinole CA. Board Member Drazba led the Pledge of Allegiance.

**2. ROLL CALL, CLERK'S REPORT & STATEMENT OF CONFLICT**

Members Present:

Norma Martinez Rubin  
Maureen Toms, Vice-Chair  
Mary Drazba  
Peter Murray  
John Marquez arrived at 4:20 P.M.

Members Excused:

Debbie Long, Chair  
Whitney Dotson          Absent/Excused

The voting record reflects their absence.

Staff present included:

City Manager Belinda Espinosa  
Assistant City Attorney Stephanie Downs  
Assistant City Manager Hector De La Rosa  
Finance Director Richard Loomis  
City Clerk Patricia Athenour

**3. PUBLIC COMMENT**

No speakers addressed the Oversight Board.

**4. CONSENT CALENDAR MATTERS**

- A.      Approval of the Minutes of October 3, 2012

Board Member Martinez Rubin made minor corrections to the October 3, 2012 Minutes.

**ACTION: Motion by Board Members Murray/Toms, the Board approved the minutes as corrected.**

**Vote: Motion passed unanimously of the members present.**

## 5. INFORMATIONAL MATTERS

- A. Status Update on the Due Diligence Review [**Oral Report: Action: Receive Report (Loomis)**]

**Richard Loomis**, Finance Director distributed financial schedules and entered those into the record. He explained the stated goals and objectives of the due diligence review. Both bills had close out auditing requirements and procedures as part of the legislative action. One purpose was for an accounting separation and transition of the Successor Agency separate from the City, and to validate and confirm the assets. AB 1484 set about additional objectives to distribute any residual cash to the taxing agencies as soon as possible after the dissolution of the Redevelopment Agency and to see that a property management and disposition plan is put together for the assets. Mr. Loomis said he and the auditors were handling the cash and the property management plan will be done by De La Rosa. He discussed the order in which the Board will have authority to dispose of the residual assets.

Mr. Loomis provided and summarized the handouts to the Board. Some portion of the \$5,771,494 was residual and would be returned to the taxing agencies if not used to make ROPS payments. He explained that following the three ROPS payments, the remaining residual appears to be \$371,022, which would be validated by the auditor and then should be distributed in May 2013.

There will be six-month evaluation, and if the taxes from the project areas exceed the ROPs the excess funds would be returned. The breakdown of the \$2.1 Million available for the residual on February 1, 2013, is noted on the worksheet.

No action was requested or provided.

## 6. MATTERS FOR CONSIDERATION

- A. Approval of the 2013-14A ROPS [**OS Board Report 2013-01: Action: Receive Report & Adopt Resolution Per Staff Recommendation (Loomis)**]

Mr. Loomis entered the report 2013-01, into the record. The payment for ROPS July – December 2013 is due on March 1. He reviewed Attachment C with the Board. In the 6 month period, the payments exceeded our advancements by \$600,000 and the same will be the case in the next funding period, with the funding advance at \$4.2 million and the expenses at \$4.8 million. Essentially the funding advance will be deficient in terms of the amount of enforceable obligations and explained how it would be administered, referring to the Middle School Soccer Field Project as an example. Loomis said it appears to be a short fall on paper, but funds will not be due until a future funding cycle and in next cycle will be able to request a reserve for that amount. The other opportunity is to reconfigure some of the reserves. He said he was not too concerned with what looks like a funding shortfall with these options and was confident we will meet our funding obligations

He provided explanations on Item #40 which documents the PALC funds. The repairs for the construction defects on the Pinole Assisted Living Community building are ongoing with the funds held in trust since 2006. The account was transferred to the City and the DOF has now asked the City to return it to the non-profit agency, instructing them to work with the City. – received their approval last year. Loomis explained that this amount was much larger in this funding period and will not be the case in the future, but this was their (DOF) method of closing out their books. It is a one-time incident and will not be recurring.

Assistant City Attorney Downs said the close out has not been completed, and we have not received any denials to date. Staff was available for questions.

Board Member Drazba raised a question on Item #32, referring to an agreement for the Successor Agency to pay the garbage lease at the Bear Claw for a 10-year period and said the expiration date should be indicated on the ROPS. Also raised a question on the available revenue; these properties are generating and where the income is accounted.

Mr. Loomis explained there were two properties generating revenues; 600 Tennent and 2301 San Pablo Avenue (Tina's sublease).

Ms. Drazba asked if the DOF was aware that PALC, the non-profit agency was no longer in existence and asked who the trust had been handed over to. Board Member Drazba asked if staff was accounting for the payments from PALC to pay the bonds, and asked if the DDA was changed.

Ms. Downs said the City took over as the non-profit, and that the receipts could not be used to pay tax increment bonds. It was a housing asset now and the City would get the income, if any, as the bonds were issued and secured by tax increment.

Mr. Loomis said the revenue was \$56,000 annually from the ground lease in a restricted fund, and the payment for public safety fee was \$23,000.

Martinez Rubin requested explanations on several items, including Attachment E and commented on the inconsistency of the item numbers, concerned they may have repercussions in future years

Mr. Loomis said that the DOF now assigns the numbers and he anticipated there would be consistency from now on. He explained that Attachment E which was an estimate he received from the County auditor and he actually believed the number will be larger. HdL is an independent consultant and was used to evaluate the County Auditors statement. HdL believes we will have more money than the County auditor is projecting, but we must take their numbers even though they are thought to be too conservative. He wanted to provide that information to the Oversight Board.

Board Member Tomas raised two issues:

1. Since the PALC will not appear on future ROPS, would there be a number for income? Mr. Loomis said it would be about \$300,000 every six months.
2. Regarding the DDR residual potential, she believed there was a schedule to itemize funds that are necessary for enforceable obligations and that number would show a deficit. Mr. Loomis said it was Item 9 and confirmed that he is working on it now.

No speakers addressed the Oversight Board on this item.

Assistant City Attorney Downs reported that there was a ruling by DOF that the representatives from labor groups do not have to recuse on items such as OPEB, severance packets or insurance, therefore Board Member Drazba may vote on the action.

**ACTION: Motion by Board Members Drazba/Murray, the Board Adopted Resolution 2013-01, Approving a Final Recognized Obligation payment Schedule for July–December 2013.**

**Vote: Motion passed unanimously of the members present.**

Board Member Drazba referred to the last packet which contained a whole listing of all properties. There were two properties missing from the list and she notified him. Mr. Loomis said the two were omitted that were thought to be housing, but were not, and they were transferred to the list.

## **7. ADJOURNMENT**

Vice Chair Toms adjourned the meeting at 4:54 p.m., to the Oversight Board Meeting of April 3, 2013.

**Submitted by:**

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**Patricia Athenour, MMC  
Pinole City Clerk / Clerk to the Board**

**Approved by Oversight Board:**