

Minutes of the Meeting of the Oversight Board of the Successor Agency
to the Oakley Redevelopment Agency held May 7, 2013

1.0 OPENING MATTERS

**1.1 Call to Order and Roll Call of the Oversight Board to the Successor Agency
to the Oakley Redevelopment Agency (Kevin Romick, Chair)**

Chair Kevin Romick called the meeting to order at 6:30 p.m. in the City Council
Chambers located at 3231 Main Street in Oakley

Roll Call – The following Board Members were present:

Paul Abelson, City Appointee

Bruce Connelley, County Appointee

Robert Kratochvil, Contra Costa County Community College District Appointee

Kevin Romick, City Appointee

Bill Swenson, City Appointee

Eric Volta, County Office of Education Appointee

Jon Michaelson, East Contra Costa Fire Protection District Appointee, was absent
due to work obligations.

1.2 Pledge of Allegiance (Kevin Romick, Chair)

Chair Kevin Romick led the Pledge of Allegiance.

2.0 PUBLIC COMMENTS

None.

3.0 CONSENT CALENDAR

**3.1 Approve the Minutes of the February 28, 2013 Oversight Board Meeting
(Libby Vreonis, Secretary)**

It was moved by Vice-Chair Abelson and seconded by Boardmember Kratochvil
to approve Item 3.1. Motion was unanimous and so ordered. (6-0)

4.0 PUBLIC HEARINGS- None

5.0 REGULAR CALENDAR

5.1 Amendment to the Oversight Board Bylaws Regarding the Designation of Secretary of the Board (Bryan Montgomery, Executive Director)

Executive Director Bryan Montgomery explained that there are inconsistencies in the Bylaws & Rules of Procedure ("Bylaws") previously adopted by the Oversight Board with regard to whether or not the Secretary of the Board must be elected. Staff's recommendation was to amend Section 1 of Article III of the Bylaws to exclude the Secretary from the election and allow Section 1 of Article II of the Bylaws to remain (Section 1 of Article II of the Bylaws states, "The Secretary to the Board shall be the Oakley City Clerk or her/his designee").

Boardmember Volta inquired how much time the Secretary spends on Oversight Board matters. Secretary Libby Vreonis responded that she spends 1- 1 1/2 hours per month on Oversight Board matters.

It was moved by Vice Chair Abelson and seconded by Boardmember Kratochvil to approve Item 5.1. Motion was unanimous and so ordered. (6-0)

5.2 Annual Election of the Chair and Vice Chair of the Oversight Board of the Successor Agency to the Oakley Redevelopment Agency (Bryan Montgomery, Executive Director)

It was moved by Boardmember Swenson and seconded by Boardmember Kratochvil to elect Kevin Romick as Chair and Paul Abelson as Vice-Chair.

Boardmember Connelley offered a substitute motion to elect Eric Volta as Chair and Paul Abelson as Vice-Chair. The substitute motion died for lack of a second motion.

The first motion carried and was so ordered to elect Kevin Romick as Chair and Paul Abelson as Vice-Chair. AYES: Abelson, Kratochvil, Romick, Swenson, Volta. NOES: None. ABSTENTION: Connelley. (5-0-1)

5.3 Update on the Due Diligence Review Process (Bryan Montgomery, Executive Director)

Executive Director Montgomery mentioned two Due Diligence Reviews ("DDR's"), one for the Housing Fund and the other for All Other Funds, are required to be conducted by an independent auditor to determine the unobligated balance available for transfer to affected taxing entities, and the recovery and subsequent remittance of funds determined to have been transferred absent an enforceable obligation. He announced that the DDRs for Oakley are nearing completion and

Vice-Chair Abelson would provide additional information regarding the approval process.

Vice-Chair Abelson indicated the DDRs would be completed this evening and would be considered by the Successor Agency to the Oakley Redevelopment Agency on May 14. He mentioned the Oversight Board would then need to hold two meetings, one meeting to allow the Oversight Board and public to review the DDRs and another meeting (no sooner than five business days after the first meeting) to vote on the DDRs. Thereafter, the Department of Finance ("DOF") would have up to seventy-five days to review the DDRs and would issue a final determination letter to instruct the City with regard to the amount to remit to the County Auditor-Controller. The City would then have five days to remit the amount indicated by the DOF to the County Auditor-Controller or request to meet and confer.

Boardmember Kratochvil inquired if there is a tentative time frame for the two meetings. Vice-Chair Abelson responded that the DDRs are past due; however, time does need to be allotted for noticing and providing Board members the opportunity to read the DDRs. Executive Director Montgomery added that the DOF has 75 days to review the DDRs; therefore, the sooner the meetings could be held, the faster the DOF review process could begin.

Boardmember Volta requested the two meetings be held after the first week of June to avoid conflict with graduation attendance. He inquired what the estimated amount of assets was that was transferred out of the redevelopment funds in 2011. Vice-Chair Abelson responded that approximately \$25,000,000-\$30,000,000 was transferred out (in January 2011), but was then transferred back within a thirty-day period following the Supreme Court ruling.

It was the consensus of the Oversight Board to conduct the two meetings after the first week in June.

6.0 WORK SESSION DISCUSSION-None

7.0 REPORTS/COMMENTS

7.1 EXECUTIVE DIRECTOR

(a) Discussion Regarding Property Management Plan Process and Potential Help of Consultants

Executive Director Montgomery mentioned the Property Management Plan Process cannot be completed until the DDRs are approved by the DOF. He reviewed with the Oversight Board a ten step action plan created by Management Partners and Dutra Cerro Graden whom the City hired to provide

preliminary consulting services with regard to a process and schedule for addressing State requirements and local policy objectives for the Property

Management Plan. He announced that the cost for complete consulting services (through the entire process) is estimated at \$60,000-\$80,000. He reviewed the ten steps in the action plan and commented on items in which the City or consultants could provide direction to possibly provide some flexibility in the fee arrangement for consulting services.

Boardmember Connelley complimented staff on their work with regard to the preliminary work done on the Property Management Plan. He recommended consultants be hired.

Boardmember Kratochvil inquired if any thresholds exist on the amounts to bid and if any other companies had provided consulting proposals. Executive Director Montgomery responded that no thresholds exist for professional services and that this was the only company that had come forward thus far. He explained that Successor Agency funds should pay for the consulting fees.

Boardmember Volta inquired if there could be a request for proposals process and if the Successor Agency would have to approve it. Executive Director Montgomery responded that there could be a request for proposals process and the Successor Agency would have to approve it, but the Oversight Board would have the final vote to approve or deny it.

Vice-Chair Abelson mentioned some parcels may require more or less work which may dictate the level of need for consulting services regarding particular parcels.

Executive Director Montgomery added that some properties have considerable value in which the Oversight Board may decide to not sell immediately to potentially see an increase in value or such properties could be sold at the current low value as an incentive for development in which case property taxes (benefitting the taxing agencies) and sales taxes (benefitting the City) would result.

Vice-Chair Abelson also added that originally the DOF instructed a fire sale of the properties at minimum value, but then realized there is greater benefit to maximize the property value. He also mentioned the DOF acknowledges it is justifiable to align the market value opportunities with the redevelopment plan because there is a long-term community benefit to all stakeholders to maximize property value.

Boardmember Volta commented that with regard to school funding, if a pass-through agreement does not exist or is not part of a tax increment, only a percentage of property taxes would make up a part of the schools apportionment.

He also mentioned that even though property taxes may be raised, it doesn't mean additional money for the schools; the small increment received would

mostly benefit Antioch Unified School District. The Liberty Unified School District's position is that the State will give them money regardless once they figure out how much to fund them per student; the sale of these properties would go into the general apportionment to help defray the cost of future apportionments.

(b) Update on Insufficient Funds Analysis and Pass-Throughs

Vice-Chair Abelson informed the Oversight Board that a notice of insufficient funds and analysis had been filed with the County Auditor-Controller and included a notation that the Property Management Plan was not contained in the Recognized Obligation Payment Schedule as information was not available to include an estimate. He mentioned it has been forwarded to the State Controller for review. He expressed his hope is that some funds will be withheld to pay for administration and wind down affairs of the Successor Agency. He mentioned the initial estimate of distribution of funds will not provide enough money to provide an administrative costs allowance or cover previously subordinated pass-throughs, but will pay debt service and could pay current pass-throughs and possibly some of the enforceable obligations of the Successor Agency.

Boardmember Swenson inquired if the CentroMart building is still moving forward to become a Dollar General Market ("DG Market") grocery store and requested the status of the façade improvement project of the plaza shops behind the same building. Executive Director Montgomery responded that DG Market is in the design process to use the building as a grocery store, which use was approved for DG Market prior to discussions of using the building for a library (the City Council did not approve the library). He mentioned if the prior approvals were not already in place that the process to approve the sale would have to go through the DOF process before selling it which would mean the building would be vacant for at least an additional six months before being eligible for sale. He also mentioned that DG Market will provide façade improvements to the CentroMart building. He also responded that the escrow with Ace Hardware should close within ten days with regard to the plaza shops behind the CentroMart building and that construction would commence in late summer and likely be completed by spring 2014.

7.2 MEMBERS OF THE BOARD

None.

8.0 CLOSED SESSIONS

8.1 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION Pursuant to Government Code Section 54956.9(a)

***City of Oakley and Oakley Redevelopment Agency v. Ana Matosantos
(California Department of Finance), et al.***
Sacramento County Superior Court Case No. 34-2013-80001435

(Bryan Montgomery, Executive Director)

8.2 Reporting Out of Closed Session (William Galstan, Special Counsel)

Special Counsel William Galstan reported that he gave the Oversight Board a briefing of the case and the Oversight Board took no action.

9.0 ADJOURNMENT

There being no further business, the meeting was adjourned at 7:29 p.m.

Respectfully Submitted,



Libby Vreonis
Secretary